

# NATION'S BUSINESS

*Extra  
Edition*



*May 20  
1927*

## *The New Era in Business*

*As discussed by*

PRESIDENT COOLIDGE  
HALEY FISKE  
THOMAS W. LAMONT  
JOHN S. LAWRENCE  
GEORGE H. BALDWIN

JOHN W. O'LEARY  
ROY D. CHAPIN  
SILAS H. STRAWN  
HARRY CHANDLER  
WILLIS H. BOOTH

*& at the Fifteenth Annual Meeting of the  
Chamber of Commerce of the United States*

Published at Washington by the Chamber of Commerce of the United States

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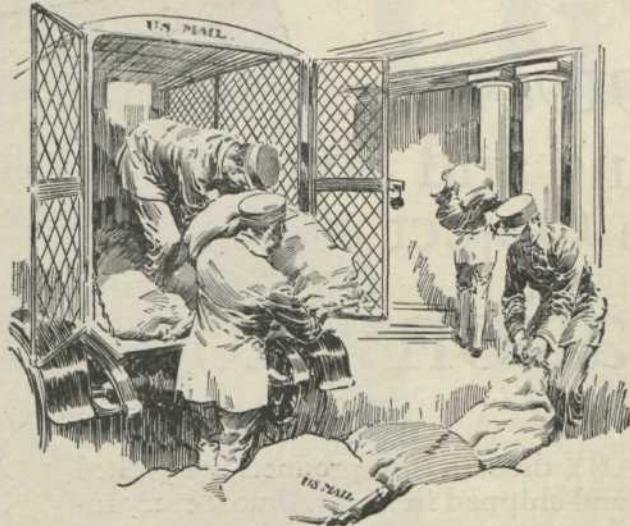
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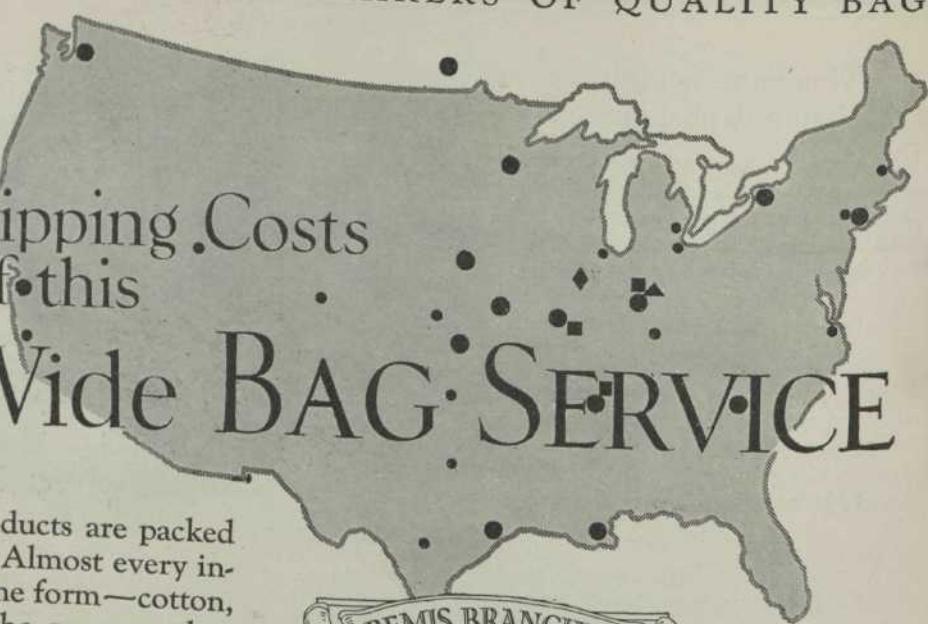
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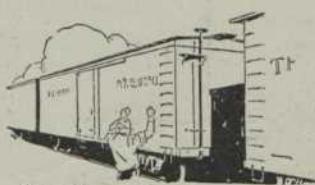
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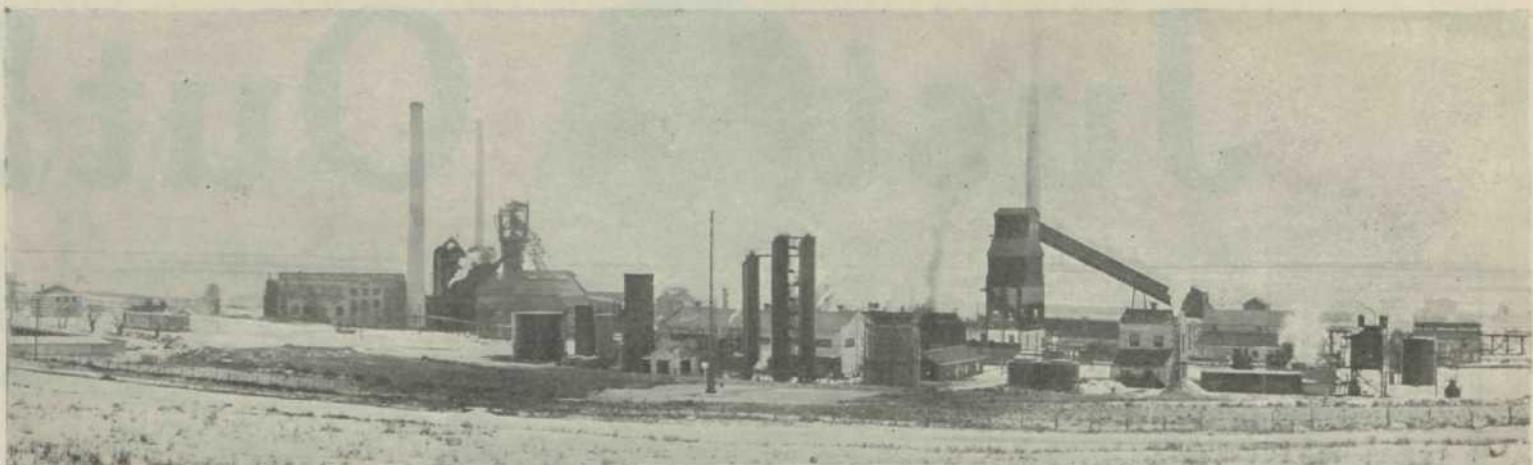
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The West now makes steel from Utah ore! This blast furnace near Salt Lake City, not yet four years in operation, produces pig iron worth \$1,000,000 a month.

# Salt Lake City—the Capital of America's Richest Metal Mining Region

SEVERAL factors in recent years have caused the eyes of American manufacturers and capitalists to more frequently turn toward Utah and Salt Lake City. Probably the chief factors are the growing importance of the country west of the Rockies as a commercial and industrial entity, and the correlative importance of Utah's rich, apparently inexhaustible and highly necessary mineral products, combined with Salt Lake City's strategic location for branch factories and as a distributing point for eastern manufacturers.

## 210 Different Minerals

Practically every mineral needed in modern manufacture is found in Utah. The more important ones, such as copper, silver, lead, iron, coal, limestone, asphalt, arsenic and zinc occur in tremendous quantities and are readily accessible. Scientific advancement is constantly lifting others of the 210 known minerals in Utah to greater commercial importance.

To date the copper, zinc, gold and silver produced in Utah have added \$1,750,000,000 to the world's wealth. This state produces 33% of all the arsenic used in the nation, 21% of the silver, 18% of the lead, 13% of the copper, 13% of the potash and 6% of the asphalt. In 1926, Utah ranked first among all states in silver production, was second in lead, third in copper and fourth in gold. The value of the state's

mineral production in 1926 was \$119,270,000, or more than 2 1/4 million dollars per week. Utah's metal mining companies paid \$15,073,500 in dividends last year.

Over a period of years there has seemed to be no signs of diminution of the state's mineral resources despite heavy inroads on the supply. New discoveries are being made all the time.

## Huge Iron and Coal Deposits

In this age of steel, nothing can give more assurance of Utah's basic strength than its tremendous deposits of high grade iron ore, estimated at *one billion* tons. For many years it has been recognized

that Utah is the only state west of the Missouri River with resources from which a great steel industry might be developed.

The beginning has been made. The blast furnace near Salt Lake City produces 450 tons of pig iron a day, getting its iron ore, coking coal and limestone almost at its back door. Its market includes the rapidly growing Pacific Coast, and the Orient. Recently a cast iron pipe factory was established near the furnace; and a car wheel factory built in Salt Lake City—using Utah iron.

As for coal, the figures are almost incomprehensible—190 *billion* tons, all



Sections of Salt Lake City's skyline as it is today. It changes frequently. This city, with a population of 150,000, is the commercial, industrial and financial center of the Intermountain territory.

readily recoverable, with 325 billion tons additional that could be mined if necessary. Utah coal is a high-grade bituminous.

## Hydro-Electric Power

Mountain streams in Utah can develop 1,472,230 horsepower. Less than one-tenth of the state's water power has been developed. There are ample reserves for future needs. Electric power rates in Salt Lake City are among the lowest in the country.

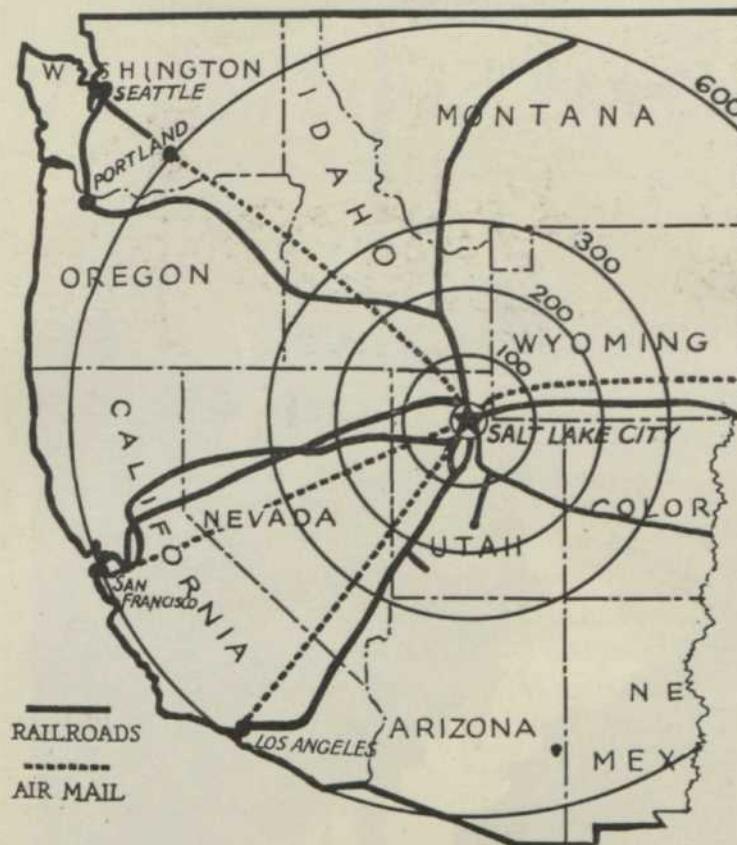
In addition to this solid foundation of basic resources, special advantages are inherent in Salt Lake City's location, transportation facilities and living and working conditions. These have resulted in the city's sound, steady growth.

## A Large and Active Market

The territory which Salt Lake City is in an ideal position to serve economically—Utah, most of Idaho, southern Montana, western Wyoming and Colorado, and eastern Nevada—comprises nearly 2,000,000 people who are engaged in developing a new country, which multiplies needs. These people have money to spend—their per capita wealth is 43% greater than the national average, according to the latest figures from the U. S. Bureau of Census.

Taking advantage of Salt Lake City's strategic location in the center of this market, more than 100 leading national firms have recently established distributing offices or branch factories here. Among those that have come in the past three years are: William Volker Co., General Motors Truck Co., National City Bank of N. Y., American Cast Iron Pipe Co., Real Silk Hosiery Co., American Asphalt Roof Co., The Barrett Co., California Petroleum Co., Chevrolet Motor Co., Coca Cola Co., Columbia Steel Corporation, Dayton Scale Co., Endicott-Johnson Corporation, Firestone Tire & Rubber Co., Ford Motor Co. (assembly plant), Frigidaire Co., B. F. Goodrich Rubber Co., Graybar Electric Co., Griffin Wheel Co., Holland Furnace Co., Jeffrey Mfg. Co., Johns-Manville Co., Linde Air Products Co., Kardex Rand Sales Corporation, Kewanee Boiler Co., L. J. Mueller Furnace Co., National Tube Co., Nuckolls Packing Co., Presto Lite Co., Republic Flow Meter Co., Servel Corporation, Sherwin-Williams Co., The Simmons Co., Sperry Flour Co.,

## More than 100 National Firms Recently Chose Salt Lake City as Their Western Branch and Distributing Headquarters



The map shows Salt Lake City's strategic location at the center of the Intermountain West, and its splendid transportation facilities—making this city the logical Western distributing point

B. F. Sturtevant Co., The Texas Co., The White Co.

## Distributing Facilities

Salt Lake City is the converging point of six railroad trunk lines, which serve every section of the West. 76% of Utah's population is contiguous to Salt Lake City and is served by electric interurban lines, and improved highways. The city's advantages as a distributing point are exemplified by the parcel post rates which are 56% less between Salt Lake and San Francisco than between Kansas City and San Francisco, and 48% less than between Denver and San Francisco.

## The West's Great Airport

Salt Lake City is the most important air mail center in the West, consolidation point for all air mail to or from the Pacific Coast. Within six hours of Salt Lake City are cities totalling over 3,000,000 population, directly served by air mail from here! Eight planes arrive and depart from this city every day on a regular schedule. An average of 1,000 pounds of air mail is handled daily at this Airport. Lines extending 4,200 miles converge here.

Salt Lake's Airport was financed by the citizens of the community who early realized the importance of air transporta-

tion in the commercial picture of the present and the immediate future.

## The Center of Scenic America

As the point of departure for the famous scenic woodlands of the West, including Zion National Park, Bryce Canyon, Cedar Breaks, north rim of the Grand Canyon of the Colorado, and Yellowstone, Salt Lake City is the most important stopover for vacationists traveling western routes. Splendid auto highways and railroad lines lead from Salt Lake City to the principal scenic attractions. The city itself holds more than ordinary interest to the tourist—its historic landmarks—its unusual beauty—its unique diversions, such as a swim in Great Salt Lake, near by, where you float like a cork! Pictorial booklets describing in detail the vacation delights in this country, will be sent by the Chamber of Commerce upon request.

## Industrial Sites in Salt Lake City

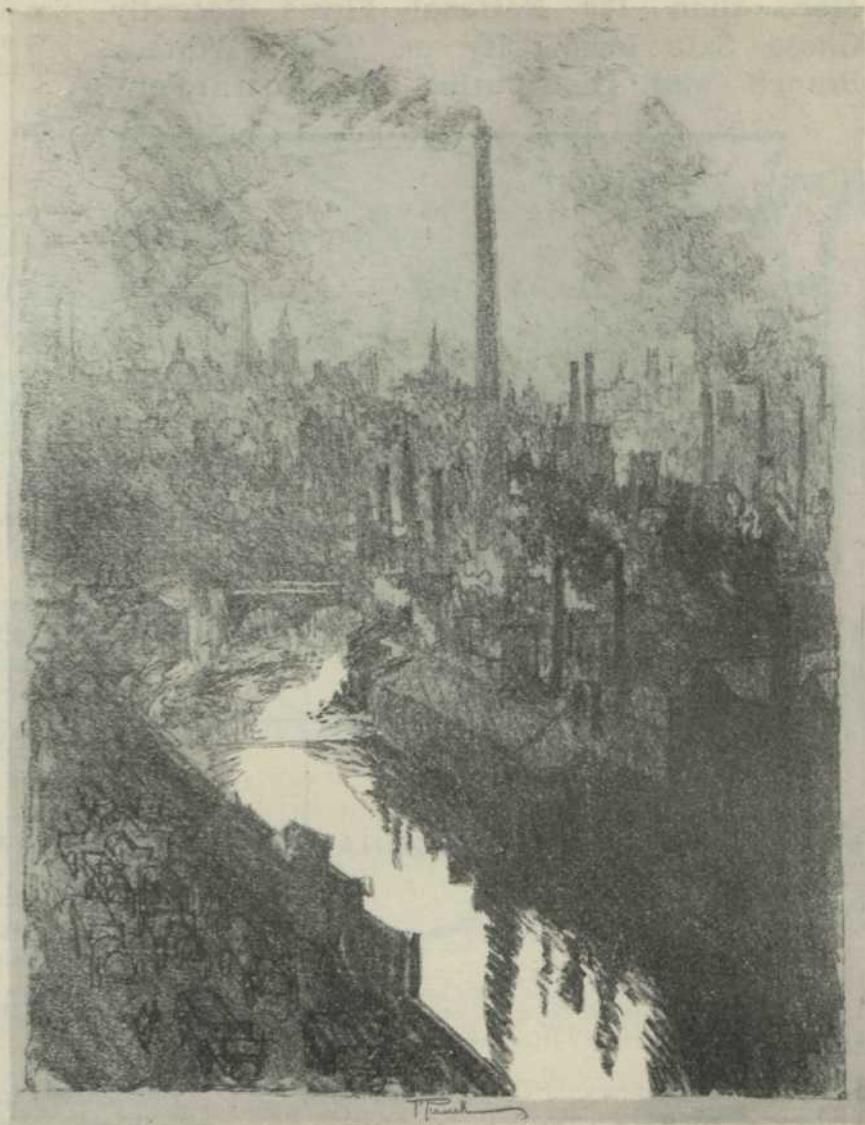
Warehouses and other structures, ready for immediate use, are available at reasonable terms, and there are hundreds of acres of land within easy reach of railroad tracks, ideal for industrial and commercial purposes. Rent, lease or purchase terms are made attractive to incoming industries.

Labor conditions here are well-nigh ideal, making for low cost production and year round work. The delightful four-season climate, which is never severe, and the opportunities for education and recreation serve to make Salt Lake people rather proud to live and work here.

## Special Information

Detailed information for executives has been compiled in booklet form. Write for a copy. *The Department of Industries of the Salt Lake City Chamber of Commerce* will, upon request, make a detailed survey for your particular business, or will co-operate with your own investigators.

The Chamber of Commerce is a completely departmentalized institution and offers, in addition to the above, special advisory service to the tourist, the farmer, the mining man and the prospective resident.



"The Great Chimney"

We are privileged to reproduce here one of a series of drawings of industrial subjects by the late Joseph Pennell, one of America's great artists. Courtesy of the J. B. Lippincott Co.

TO MANUFACTURERS OF QUALITY PRODUCTS

## Forty Years Ago—and Now

YOU KNOW the one difficulty of the Quality Manufacturer—to convince the public that the slightly increased cost of your good article is saved over and over, again and again by its better service. That conviction, you have found, takes root and grows. We too have found this to be so.

Forty years ago we printed and published the following doctrine which has since carried us to a position of world preeminence in our field. The original printing is on a well-thumbed card. It reads: "WE SHALL always work on the line we have followed for twenty years: inventing and making oils

to put friction down as low as it can be put down.

"We shall always teach, as we have been teaching . . . that the proper service of oil so far exceeds its cost that the best is cheapest, ten to one, perhaps twenty to one, sometimes perhaps fifty or even one hundred to one.

"The only question is how fast the man most nearly concerned

will act on the fact—we mean the consumer. We make a few cents a gallon. He makes a few dollars a gallon."

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# What Went on at the Annual Meeting

Observing its custom, NATION'S BUSINESS devotes an extra issue to an account of the Annual Meeting of the Chamber of Commerce of the United States. The Fifteenth Annual Meeting was held at Washington, May 2, 3, 4, 5. The dominant note of its deliberations was

## The New Era in Business

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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers to which expression is given.

A limited number of additional copies of this issue of NATION'S BUSINESS (Fifteenth Annual Meeting Report) may be secured at the actual cost price of 10c each



# A Message to AMERICAN BUSINESS

**A**S the representatives of American Business convene for the Annual Meeting of the Chamber of Commerce of the United States, the Austin organization cannot but take pride in the fact that so many of these great names are numbered among its clients.

As American business has grown in calibre and breadth, Austin has grown, and has been helpful to an ever increasing clientele.

Insofar as building conditions are a barometer of business, it may be of interest to know that Austin has under contract a larger volume this year than in any preceding year.

Railroads and industrials alike are carrying forward new building programs with confidence.

*In your business, a new building project may be contemplated, immediately or in the near future. Please accept the suggestion that it will be worth your personal attention to see that the matter is discussed with Austin. It*

*will be to your advantage to do this before any plans are drawn. Austin's experience is often of very great value in the preliminary laying out of the proposition, as well as in the actual engineering and construction.*



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The Austin Company of Texas: Dallas The Austin Company of California: Los Angeles and San Francisco

# AUSTIN

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# Ushering In the New Era

By WARREN BISHOP

**B**RING together 2,500 business men and assign to them any topic of discussion that you like, and the result will be talk on every subject that affects business.

That was strikingly shown at the Fifteenth Annual Meeting of the United States Chamber of Commerce, held in Washington, May 3, 4 and 5. The subject was "The New Era in Business"; but the speeches and discussions that aroused the most comment were largely international; they dealt with what might be called the diplomacy of business. Perhaps the reason is that the "new era in business" is international, and the meeting, consciously or unconsciously, took notice of that condition.

**T**HINGS that gave an international flavor to the meeting were the address of President Coolidge at the joint meeting of the Chamber and the Pan American Business meeting; the talks of Thomas W. Lamont and Roy Chapin to the International Chamber; the complaint of Victor M. Cutter, president of the United Fruit Company, of our "butterfly diplomats."

Wide attention was attracted by the speech of Mr. Lamont, a partner in the firm of J. P. Morgan & Company. He urged a more careful consideration of our loans abroad, gave this picturesque description of what is going on:

"It is a tempting thing for certain of the European governments to find a horde of American bankers sitting on their doorsteps offering them money."

**M**MR. LAMONT foresaw also a lessening in the demand for money from abroad as the European countries slowly improve their positions. He saw an increasing competition from abroad but not an unhealthful one. As he put it:

"Competition from the world across the sea, well ordered and at peace, is competition that America can well afford to welcome rather than fear."

The international flavor of the meeting was greatly added to by the presence in Washington of the Third Pan American Commercial Conference. The most colorful event of the meeting was the general session on Tuesday night with the Conference. President Coolidge made the chief address of the evening, and his talk was preceded by the raising of the flags of the countries represented while the audience stood and the Marine Band played the national air of the country whose flag was being raised.

**T**HE PAN AMERICAN group was linked with the Chamber in other ways. Lewis E. Pierson, who on Thursday became president of the National Chamber, was the chairman of the Conference; and it was John H. Fahey, a former president, who took up the cudgels for this country when a South American delegate opened an attack on American tariffs.

Moreover, the speech of Secretary Hoover to the Conference, urging against loans to foreign governments for unpro-

ductive purposes, was linked by many with the address of Mr. Lamont on foreign loans.

**T**HE speaker of the general meeting who devoted himself most closely to the subject of the new era in business was Haley Fiske, 75-year-old president of the Metropolitan Life, active as many men younger by ten years or more.

Mr. Fiske saw a raising of the standards and the ethics of business in the relations of business to each other, to the public and to the employes. In all three it is cooperation which is bringing about results.

Mr. Fiske's most interesting illustration of the new friendliness in business, the "era of good feeling" in industry, was in the help which his company is extending to a new insurance company formed by union labor men in Washington "to do Old Line life insurance on scientific principles with adequate reserves and ample capital."

**T**WO of the general meetings were planned on entirely novel and apparently successful lines. One, on Wednesday morning, was devoted to a geographical survey of the country—a recognition, in a way, of the vastness of this industrial empire of ours. From New England came John S. Lawrence, textile man and head of the New England Council; from the South came George H. Baldwin, president of Commodore's Point Terminal Company, Jacksonville; from the Middle West came Silas H. Strawn, lawyer, merchant and diplomat; from the Pacific Coast was heard Harry Chandler, publisher and capitalist—all to tell what at the moment was disturbing business in their section and what they thought of the outlook.

On Thursday morning the last general meeting of the Chamber was devoted to the nine men who presided over the group meetings of Tuesday and Wednesday. Each spoke briefly for his own section of American business, telling what had developed at his meeting and what he saw on the horizon for his industry.

**T**HE ANNUAL dinner, held on Wednesday evening, brought out more than a thousand attendants. The chief features were the introduction of distinguished business men who were present, and the address of Alfred Pearce Dennis, of the United States Tariff Commission.

Mr. Dennis made somewhat the same point as did Mr. Lamont in his address before the International, that no nation can live by itself alone, and that we have less to fear from a successful and prosperous Europe than from a depressed Europe. Here are two pertinent paragraphs spoken by Mr. Dennis:

"If the war has taught us anything, it has lessoned us in the economic solidarity of the world. We have learned that no man liveth to himself nor dieth to himself. What is true of individuals is true of nations. When the British Government released its accumulated war stocks of wool in 1921, the market collapsed, and there was not a shepherd

on the lonely plains of Australia or the slopes of Judea who did not feel the pinch of hard times. When the Russians withdrew from the Paris perfumery market, rose gardens in the secluded valleys of the mountains of Bulgaria, which had been producing attar of rose for fifty years, were left untended.

"We have learned that trade, whether national or international, is based upon the exchange of the peculiar products of the industry and genius of one man for the fruits of another man's industry and genius.

"Both may profit by the exchange. Before the war we regarded the British as our principal trade rivals. We are coming to regard them as customers rather than rivals. As international traders we have more to gain from Britain prosperous than from Britain depressed."

YEARLY the group meetings grow in interest and importance. This year there was an attendance of about 1,850 at the nine groups. That is an average of more than 200, and for the most part the interest was sustained and the discussion following the set speeches was lively.

The Civic Development Department added a bit of controversy to its meeting by a debate between Henry H. Curran, once a candidate for Mayor of New York, and Harvey W. Corbett, New York architect, on height of buildings. Major Curran contended that building heights should be still further limited, while Mr. Corbett

stuck out for the skyscraper as needful and beautiful.

Perhaps the most dramatic incident came at the transportation meeting. Philip H. Gadsden in his address had protested against the apparent intention of the Shipping Board to build more ships and to perpetuate government ownership. This brought Chairman O'Connor, of the Board, to his feet with a denial that the Board purposed to do what Mr. Gadsden had charged.

Very adroitly Julius H. Barnes thereupon proposed a resolution which modified one already proposed and which by accepting Mr. O'Connor's statement put him upon record as opposed to such a widening of the Board's activities.

The Foreign Commerce Department luncheon took on a Latin American, rather than a European, flavor. The delegates to the Pan American meeting were among the guests, and some of the speeches were in Spanish.

A note was sounded at the Manufacture Department meeting that may, perhaps, give the best answer after all to what is the new era of business:

"A fall in prices has brought about a rise in real wages, accompanied by a high level of profits."

THE ANNUAL MEETING decided on one notable change in the administration of the Chamber: no resident vice-president was chosen; but, instead, the Board was authorized to appoint a chairman; and

Judge Edwin B. Parker was chosen for the post. The chairman is to assist the president in carrying out the policies of the Chamber and in the operation of the Chamber's departments and employes.

The new president is Lewis E. Pierson, who has been active in the Chamber since he was first chosen a director in 1917. He has been recently Eastern vice-president and chairman of the Executive Committee.

NEW members of the Board of Directors are: J. P. Burrus, president, Burrus Mill and Elevator Co., Dallas, Texas; William Candler, Atlanta-Biltmore Hotel, Atlanta; Robert P. Lamont, president, American Steel Foundries, Chicago; Edward P. Peck, vice-president, Omaha Elevator Co., Omaha; William Pfaff, Searcy and Pfaff, Ltd., New Orleans; Fred W. Sargent, president, Chicago and Northwestern Railway, Chicago; Matthew S. Sloan, president, Brooklyn Edison Company, Brooklyn.

Those who are leaving the Board, by resignation or by expiration of term of office, are: Louis Lipsitz, John W. Arrington, Max W. Babb, Frank Kell, James P. Orr, Carl R. Gray, Milton E. Marcuse.

JOHN W. O'LEARY had one welcome announcement to make as he surrendered the office of president after serving two years.

In his address at the annual dinner, he told the delegates that the debt on the new Chamber building had been paid off.

## Sidelights on the Annual Meeting

HAVING stretched conventions at the end of the day with dinners and evening meetings, the suffering business man is now expected to take in a breakfast or two and either "hold a conference," "establish contacts," or listen to a few more speeches. One of the most distinguished of the Chamber's executives was wandering disconsolately through the corridors of the Mayflower Hotel looking for three breakfasts which he was supposed to attend one morning.

One breakfast with speeches seems enough, but think of three! There ought to be a law!

The Chamber's annual meeting brings to Washington a group of fresh straw hats, worn chiefly by the southern delegates. Gay bands helped to make picturesque the courtyard of the Chamber building.

Incidentally, the courtyard was a most popular place. The weather was fine, and the loud speakers permitted those who sat and sunned themselves to hear as much or as little of the speeches as they wished. When everyone has a radio, will conventions be held that way?

Will each member of the Association of Knit Woolen Loving Cup Makers tune in on Station ABCD at exactly 9:30 a. m. on June 32 and listen to addresses on cost accounting, the possibility of selling loving

cups in Siam; mail in his approval of the resolutions on a post card, and then call it a good convention?

The food problem of a convention is no small one. The menus for ten luncheons, two breakfasts and four dinners all had to be submitted and approved. The departmental luncheons ran rather to veal, whether "cutlet" or "cotellete" depending on the hotel patronized. Only two of the departments ran to fish. Pie was a luncheon favorite—apple, cherry and Boston cream all appearing.

### SIDESHOBS:

Giant baked potatoes at the annual dinner given by the Chamber of Commerce of Twin Falls, Idaho.

Baby alligators brought by a Florida delegation and kept in a box in the courtyard.

Moving pictures of Will Rogers, at some of the meetings, and of the convention itself, at the annual dinner, thanks to the Pathé Exchange.

The smartly dressed delegate who wore a brown derby with a bit of a red feather in it, and who gave 142 other delegates a chance to make a remark about "the man in the brown derby."

Canvassing for election to the board of directors was more picturesque than ever. One candidate had pretty girls distributing flowers and souvenir ash trays. He wasn't elected. Another candidate was accompanied by a sort of flying squadron of personal propagandists.

At the meeting every state was represented, but there was no delegate registered from one state, which sounds contradictory. A Wyoming organization was represented by a delegate living nearer Washington, but there was no delegate registered from Wyoming. Twelve organizations from foreign countries were represented, of which Brazil had two, and the Argentine, Belgium, Cuba, China, France, Germany, Italy, Mexico, Spain and Turkey the rest. In all, 695 organizations were represented, a record for recent years.

It was the biggest meeting the Chamber has held for several years. To measure its "worth-while-ness" is difficult. Go to any such gathering—and I have been at many—and always there stand here and there little groups who ask the eternal question:

"What good is the darn thing?" and the old answer stands:

"Men who bring something to such a meeting take a little more than they bring."

# The Real Progress of American Trade

By CALVIN COOLIDGE

THE Pan American movement rests on the principle of mutual helpfulness. This idea had its inception at the first meeting of American Republics in 1826, but did not reach its full development until the conference held in Washington in 1889, which organized the Bureau of American Republics, now known as the Pan American Union. Since this time many international conferences of American States have been held to consider scientific, sanitary, Red Cross, postal, journalistic, radio, standardization, highways, and other questions. These gatherings, representing the great body of unattached republics of the Western Hemisphere, are a great influence in commercial, industrial, and cultural development.

#### Happy Meeting

OUR first commercial conference was held in 1911, our second in 1919, and this is the third. It is a happy circumstance that the Chamber of Commerce of the United States, meeting at this same time, gives an opportunity for bringing together representative business men covering all the territory of the Pan American Union.

The growing intimacy of our relationship is emphasized by the fact that delegates are already here to hold a conference on commercial aviation and other delegates to confer on standardization.

To all of these representatives the Government of the United States extends a most cordial welcome. They hold promise of great benefit to all the countries concerned and provide the opportunity and method for promoting mutual cooperation and friendly relations.

While this conference has a semiofficial standing, I believe that its great merit lies in the fact that it represents not government but private industry. Governments do not have commercial relations. They can promote and encourage it, but it is

distinctly the business of the people themselves. If this desirable activity is to

trade should rely on its own resources, and should therefore belong to the province of private enterprise.

It is our conclusion that while government should encourage international trade and provide agencies for investigating and

reporting conditions, those who are actually engaged in the transaction of business must necessarily make their own contacts and establish their own markets. There is scarcely any nation that is sufficient unto itself.

The convenience and necessity of one people inevitably are served by the natural resources, climatic conditions, skill, and creative power of other peoples. This is the sound basis of international trade. This diversity of production makes it possible for one country to exchange its commodities for those of another country to the mutual advantage of both. It is this element that gives stability and permanence to foreign commerce. It contributes to satisfying wants and needs, and so becomes a help to all who are engaged in it.

#### Trading Ideas

THE文明 influence of commerce has often been noted. An exchange of commodities always results in an exchange of ideas. The railroad, steamship, telegraph, telephone, and now the airplane, have all reached their highest development as instrumentalities of trade.

As law and order and security are absolutely necessary for industrial and commercial life, international exchange of large dimensions becomes one of the strongest guaranties of peace.

The last half of the century has seen a very material reallocation of the commerce of the Western Hemisphere. In its beginning we were all largely dependent on Europe for a market for our raw materials and for a considerable supply of manufactured articles. This condition is very much changed. The United States has become the chief market for the raw



Calvin Coolidge, President of the United States of America

grow and prosper, if it is to provide the different nations with the means of self-realization, of education, progress, and enlightenment, it must in general be the product of private initiative.

Under free governments trade must be free, and to be of permanent value it ought to be independent. Under our standard we do not expect the Government to support trade; we expect trade to support the Government. An emergency or national defense may require some different treatment, but under normal conditions

materials of the southern republics, while on their part they have turned to us for a supply of manufactured commodities. Since our sister republics became independent this trade has greatly increased.

In 1830, nearly a hundred years ago, the value of both exports and imports amounted to about \$25,000,000; 50 years later it had reached more than \$200,000,000, only a little less than 10 times as much; and during the last 10 years it has averaged not far under \$2,000,000,000, again increasing almost tenfold in 50 years. In the hundred years, or a little less, the increase has been nearly a hundredfold.

In this exchange of commodities this country has, as is known, purchased far more from them than they have purchased from us, or, in other words, the visible balance of trade has been in their favor. During the last five years our purchases have amounted to a total of \$5,068,000,000 and our sales to \$3,781,000,000, showing a difference of \$1,287,000,000 or an excess of about 34 per cent. For the century the excess would be greater, probably by more than 40 per cent.

#### Latin America's Customer

NOT only has this country purchased more than it has sold, but it has long been the chief foreign purchaser of their products. During the twelve years ending with 1925, the only years for which complete statistics are available, this country's share of their exports has averaged nearly 40 per cent. This is more than 200 per cent of the portion taken by Great Britain, the nearest competitor, and nearly 30 per cent above that taken by Great Britain, France and Germany combined, the three next most important purchasers.

In the import trade of the southern republics the United States has also, though more recently, come to occupy the leading position. In 1900 the imports of all these countries, collectively considered, from Great Britain were about equal to their imports from the United States and Germany combined, which last two countries were on about an even footing.

From 1900 to 1910 the United States gained rapidly, and since 1913 has remained in the lead in the collective imports of all Latin America. In the countries north of Panama the commercial importance of the United States has, because of greater proximity and greater diversity of products, been much greater than in those to the south.

#### When We Led in Exporting

EVEN prior to 1890 imports into Mexico, Cuba and Central America were almost uniformly greater from the United States than from any other country. Up to the year 1913 South America still imported more from Great Britain and more from Germany than from the United States. Since that time the United States has reached and maintained the first position in the import trade of South America, just as it has maintained the lead in the import trade of all American republics.

While America is not the chief market for breadstuffs and animal products of these countries, it is and must be the chief mar-

ket for industrial raw material, tropical and semi-tropical foods, copper, hides, wool, oil, cane sugar and coffee.

This trade must come to our market just as certainly as the trade of Texas, Kansas or Connecticut must find its chief outlet in our domestic market.

Such articles as mineral oils, molasses, chicle, nitrate, bananas, coffee and refined copper find almost 100 per cent of their market in this country, while sugar and lead products come close to 85 per cent. While on the other hand, naturally, these countries do not take anywhere near so large a proportion of our total exports as we take of theirs, yet in many articles it runs about 30 per cent and its total for 1926 was almost \$882,000,000, or about 20 per cent of our entire exports.

This is a vast sum both in exports and imports, and of great importance to our southern neighbors and to ourselves in its financial effect and in its enormous humanizing influence.

A prime requisite of commerce is transportation. On account of location and cost most of our trade to the south is carried on by shipping. In the last few years these facilities have been both increased and improved.

Boats which are comfortable and commodious run from New York to Peru in 12 days and to Chile in 20 days, while on the east coast the Argentine is reached in 20 days and Brazil in 12 days. At least once each week, sometimes oftener, there are sailings to Caribbean ports. This fine passenger service has brought people directly to America who formerly came here by way of European ports. In addition to this a very extensive freight service has been built up. In 1900 the number of American vessels that entered these foreign ports was 2,044, while the number that cleared was 1,623. In 1925 the number that entered was 6,239 and the number that cleared 8,193.

#### Distribution a Land Problem

WHILE ships can land goods on the coast, and sometimes go up the larger rivers, any extensive distribution is dependent upon land transportation. The building of railroads has greatly contributed to this purpose. Engineering feats have taken these railroads over high mountain ranges that seemed impossible. The highway, with the introduction of motor trucks, is becoming an important adjunct to the railroads in our own country and in all the republics to the south.

Modern methods of construction have been so highly developed in building our highways that our road machinery is in great demand, and the desire for information and education on this subject has become so widespread as to call together great international conferences.

Supplementing other modes of travel, both by sea and land, is the development of aviation. While this has not reached the stage at which it becomes a very important factor in international commerce, yet where speed is necessary in carrying travelers, perishable articles or mail, it holds promising possibilities.

Not only transportation, but communica-

tion, is necessary to commercial interchange. For this purpose we have the Pan American postal agreement, which makes the domestic rates on mail matter applicable to all the nations which are parties to the agreement. This includes all the republics of the two American continents with one exception, so that a letter will go anywhere within their territory at the domestic rate of postage which prevails in each.

The cable and the radio both furnish means by which almost instantaneous communication can be had among all the nations of our two continents.

#### Advertising a Trade Factor

NO doubt the most important influence in enlarging trade is advertising, and of all forms of advertising that which results from personal experience and personal contact is most valuable. A conference of this nature, that will bring into such intimate relationship the representatives of the various producing elements of so many different nations, cannot help revealing many new wants and many new sources from which they can be supplied. Our sister republics have resources of enormous value, and a constantly increasing dependence of the whole world upon the products of their natural resources assures them of a continually enlarging commercial horizon.

While our own country is desirous of participating in this trade, it does not wish to do so at the expense of any other people, but upon a basis which is mutually just and equitable. Commerce has no other permanent foundation. We expect other countries to produce commodities which we can use for our benefit, and we expect to produce commodities which they can use for their benefit.

The result is a more abundant life for all concerned.

It is this mutual interdependence which justifies the whole Pan American movement. It is an ardent and sincere desire to do good, one to another. Our associates in the Pan American Union all stand on an absolute equality with us. It is the often declared and established policy of this government to use its resources not to burden them but to assist them; not to control them but to cooperate with them. It is the forces of sound thinking, sound government, and sound economics which hold the only hope of real progress, real freedom, and real prosperity for the masses of the people, that need the constantly combined efforts of all the enlightened forces of society.

#### Aiding With Moral Influence

OUR first duty is to secure these results at home, but an almost equal obligation requires us to exert our moral influence to assist all the peoples of the Pan American Union to provide similar agencies for themselves.

Our Pan American Union is creating a new civilization in these western republics, representative of all that is best in the history of the Old World. We must all cooperate in its advancement through mutual helpfulness, mutual confidence and mutual forbearance.

# An Ideal of the New Business Era

By JOHN W. O'LEARY

*Former President, Chamber of Commerce of the United States*

some impressions which have come to me.

I think the first impression that has come as a result of these two years of service is an impression of the vastness of this enterprise of ours. Its founders conceived an organization nation-wide, an or-

and Italy, and have some thousands of miles to spare. The wealth of this division is, roughly estimated, \$131,000,000,000. It is, consequently, comparable, in fact, to the wealth of the whole British Empire. The population is approaching 50,000,000. The population of the entire Roman Empire never exceeded 50,000,000. If the vice-president for the eastern division were able to get a special train—unfortunately, under the program of economy under which we have been operating for the last three years, he could not have it—if he could get a special train to carry him from the northern limit to the southern limit of the division without stopping, he would be en route for a day and a half. That is one division.

The Northern Central Division has an area of 614,000 square miles. Like the Eastern Division, it could take in the combined areas of Germany, France and Italy, and have a comfortable margin. To cross the division requires a day and a half of continuous travel on the best trains yet devised. The distance is about the same as the distance from Paris to Constantinople, or from London to Moscow. In 1925, the last year for which we have complete statistics, the people in this division, in their business enterprises, reported to the Federal Government that their net incomes subject to tax exceeded ten billion dollars, or just short of one-third of the great total of thirty-three billion for the whole country.

The Western Main Division has an area of 1,189,000 square miles, a population of 9,000,000 people, and an estimated wealth approaching \$40,000,000,000. In its agriculture, its forests, its minerals, and in the diversified new industries of the Pacific Coast and its shipping interests, it has resources which assure it of a future hard to forecast. In area it compares with British India and Argentina, and its population approaches the population of the Argentine. With nine per cent of the population of our country, this division furnished 13 per cent of the returns filed for Federal income taxes in 1924, and almost 50 per cent of the population of the Western Division participated directly in the incomes shown in those returns.

## Another Empire of Trade

FINALLY, the Southern Central Division with an area of 770,000 square miles, a population of 25,000,000 and a wealth of fifty billion. In population it is equal to the old Austro-Hungarian Empire. Using the fastest trains and the best connections, the vice-president for the Southern Central Division would have to spend forty hours traveling from the eastern to the western boundaries.

One cannot keep in mind these figures, but I have them in this broken-up form so that one might get some conception of what this Nation is. Each of these divisions is an empire of world importance, and this organization is expected to cover these empires in both its membership and its work. Let me give another impression. I re-



PHOTO © H. B. E.

John W. O'Leary

ganization of vision, an organization of service, an organization of practical idealism. The purpose was clear, but I think even in the minds of those wise men, who builded well, its future was vague.

It has come to me that in this great nation of ours we are so accustomed to bigness that we sometimes fail to realize what it means. For instance, it is an easy thing to say that we are citizens of a great nation. All of us know that the geography of it is clear, that we are bounded on the east by the Atlantic and on the west by the Pacific, that Canada is on the north and Mexico on the south. But I confess that I never had quite an idea of its bigness until I began to study the work of this Chamber, its ramifications, and the far-reaching places which it must enter. The Chamber is divided into four divisions. It had to be divided. We found it was too big to cover from Washington, and to give the service which should be rendered efficiently.

Let me picture these four divisions to visualize the bigness of this Nation we serve.

The eastern division has an area of 451,000 square miles. That division alone could take in the whole area of Germany, France

THOSE who read the report of the Board of Directors of the Chamber of Commerce of the United States will find new policies which have been added to the business program and platform through referenda. There they will learn of our success or failure in legislative matters, and, if it be failure, be reminded of the permanency of any effort which the members leave, through instructions, to the business staff. There is no stopping when they once issue orders. If a failure comes at this session, there will be efforts at the next session.

We have grown to the largest membership in our history, a gain of 220 organization memberships, putting us over the 1,500 mark, near which we have been for so long.

## In a Strong Financial State

OUR financial condition is excellent, our reserves are in better condition than they have been in the past, and there is much to be happy about in that condition.

There is one thing of interest not in the report and that is that the home of the United States Chamber is to be finally freed from debt. The building, through the efforts of our first president, Harry Wheeler, was the gift of American business; that every dollar of the original contemplated cost was subscribed by American business men. There was a deficit, which came about through increased costs, a deficit unexpected and unaccounted for, but which is always an aftermath of any great undertaking like this.

On January 31, 1926, the deficit amounted in round figures to \$346,000, and the building fund was closed. Through the untiring efforts of the men who are serving your organization, through an economy which has been at times too extreme, that amount has been reduced, until today in round figures we have a debt of less than \$190,000 and a possibility of payment of \$40,000 of that.

Yesterday the Board of Directors decided that the balance of that deficit should be paid from the reserves which have accumulated, and which have been building up even while this debt has been in process of payment, and that we should clear our home of debt. With that action will be completed the transfer of title to trustees, who will hold this property for the use for which it was originally intended, and protect it for such use for all time.

But the bare report of the Board of Directors tells only a part of the real story of the Chamber of Commerce of the United States. The details of the services which are being rendered each day are growing and growing in importance, ranging from assistance to a community in having transportation or shipping furnished to it to relieve congested ports, to seeking to advise regarding a possible market for rattlesnake skins. It is a wide field, but it is being covered earnestly and with success.

I will not undertake to speak more on those details. Rather will I give to you

member very well being one of those who used to criticize the referenda of the Chamber of Commerce of the United States. It seemed such a slow way of getting at an opinion. It seemed such a difficult way of expressing an opinion. I know that many of you have heard the same expressions, because I have heard them constantly as I go about the country. But this is the impression I have gotten, after two years of service, that great wisdom was shown in the adoption of this method of gathering the business opinion.

#### Facts as a Foundation

As a foundation, there is a collection of facts, and a study of those facts, and a consideration of those facts by a group of able and successful business men, widely diversified in interest and vocation. There is a study of those facts, the development of opinions expressed in principles or policies, the sending out to the entire United States of those opinions secured by the group studying the facts, and consideration of the facts by local groups everywhere. It is a slow process, but the educational value of the referenda of the Chamber of Commerce of the United States is tremendous.

Bigger than that educational value, however, there has come this impression to me, of the wonderful cumulative value of these referenda. What have we been building? Gradually a platform of sound economic policies, which will eventually—and which has already in many cases—give us a platform on which every piece of legislation offered may be considered. Sometimes there is an expression of wonderment as to why the membership has not had an opportunity to discuss or vote regarding a certain bill which is in Congress.

During the years since this Chamber has been in existence, there have been four or more referenda on taxation. Studies of this great question are on continuously, and principles have been established. There is hardly a tax bill which can be offered in Congress today which cannot be judged on the basis of the principles you have established over these years. So, instead of having to take snap judgment, we have an opportunity of taking careful judgment on every measure that is offered, and, of course, have the further advantage of being able in a constructive way to advise with the committees of Congress before the bills are written, rather than making necessary opposition to them after they are written. This constructive effort is of growing value, and is being more and more appreciated.

#### A President's Impressions

I HAVE several other impressions. We are to make a change in our program today and bring to you a matter which is of great interest. But let me give you this impression as one that I have received, an impression of the tremendous value of the service rendered by business men through this organization, the increasing self-regulation which has been coming on almost unconsciously during the period of the growth of the Chamber of Commerce of the United States.

How much better it would have been if we could have gained our self-regulation

twenty-five years ago or more, how much freer we might have been today from restrictive laws, from super-regulation and government interference in many processes which might be better off today under private initiative.

But we have made great progress in self-regulation. In so doing, we are gradually tending, I believe, to avoid more of government regulation, and, if we persist in trying to conduct our businesses within the law, with sincerity of purpose, with the development of ideals in business, I am confident that the regulations which will come in the future will be of minor importance.

The value of service rendered in the development of ideals I may touch on. I saw an advertisement recently in connection with the great flood disaster which is on us, advising the people of the stricken communities that their goods will be replaced without cost, and that has been followed by the action of more and more business men throughout the country in the same direction. Is it not a big spirit which undertakes that job of helping and assisting, without waiting to have the demands made on them, or being forced through circumstances which they have not anticipated?

I had occasion a day or two ago to try to purchase a trunk. I found that I had not the keys of the trunk that was in my possession, and in a great hurry I thought I must get another one. After looking at several of them, I made the comment that it was too bad that I had to buy a trunk, because I could not get a key to fit the one I had. The man with whom I was talking said, "Well, we will get a key for you." He lost a sale. But is not that just indicative of the new spirit of business today in its desire to serve?

The service rendered is bringing about a most desirable and important thing, an understanding between these four empires within the borders of our own Nation, an understanding which is bringing about national unity as opposed to the idea of sectionalism.

#### And What of Government?

I THINK there is no more important part of the work that is being done today than this recognition of advancing unity and of our responsibility toward our Government. We are meeting today at a time when one of the greatest national disasters in our history is still going on. The sympathy of the whole country is directed toward those people along the Mississippi River and its tributaries who not only in many cases have lost friends or relatives, homes and means of livelihood, but who are suffering, and will continue to suffer, privation and hardship until the water recedes. With this sympathy there goes a pride in which the whole Nation takes part. The heroism and courage and energy with which that section of the country is meeting the trial arouse the enthusiasm and bring congratulations from all of us.

The Administration, and all departments of the Government, are cooperating with the Red Cross and the state and local committees to check the flood, to relieve the suffering, and to repair the damage. This subject is receiving daily consideration by

your Board of Directors, which will probably result in some action proposed at a later meeting, but in the meeting yesterday the suggestion was made that American business today challenges American engineering skill to harness the Mississippi so that there shall not be a repetition of this great calamity.

In making that challenge, business men of the United States pledge their support to such engineering effort.

Is it not a fact that, through what has been going on during these years, we are recognizing this spirit of national unity? The problem of the Mississippi and the eight states now involved becomes a matter of interest to all of us, and we are all going to do our part, whether in our private business way or in participation in the help which must be beyond us, in the governmental way. We are all going to do our part in supporting some relief program.

#### A Willingness for Service

I WOULD talk more at length if time permitted of the increasing consciousness and responsibility on the part of business men to the community, to the state, and to the Nation. It is increasing. Everywhere there is evidence of it. Everywhere there is a willingness to serve, a desire only to find wherein men may serve best. If we took advantage, or could take advantage today, of this willingness to serve, the opportunities for forward march in the United States would be beyond imagination.

It is such impressions as these that make me feel repaid for a service which I may have rendered. There is distinct knowledge on my part that no president ever had or ever could have greater loyalty and greater willingness to respond in service on the part of the staff of this organization, and on the part of the membership in it. It has not been confined to our Board of Directors; they have responded in magnificent fashion. It has not been confined to our vice-presidents, who have relieved the president of much of his burdens. It has not been confined to the organization membership, large as it is. It has extended throughout the communities, and indicates, again, the increasing consciousness of responsibility on the part of business men to their communities, their states and the Nation.

For all of it I express my keen appreciation. An organization built on the foundation of vision, of service, and of practical idealism, will progress. Changes in personnel, of those who serve, changes in methods of conducting the affairs of the organization, changes in the membership may occur, but, if the foundation of vision and of service and of practical idealism continues, progress is bound to result.

The Chamber of Commerce of the United States was built on such a foundation. Through the 15 years of its history, it has continued to grow in strength and support, in power for good, in helpful service to the Nation.

So long as it adheres to its purpose and to its ideals, so long as it continues to receive the unselfish service of the business leaders of the United States that it has received, but in increasing number, it will continue in power for good.

# The New Responsibilities of Business

By HALEY FISKE

President, *Metropolitan Life Insurance Company*

**B**ETWEEN the Scylla of the old rock principle, "Competition is the life of Trade"—and often the death of the traders!—and the Charybdis of government stone-wall regulation and anti-trust legislation, the business man has been obliged to steer warily and keep a good lookout. He has had rather a hard time of it during the last generation.

The general subject of the present annual meeting of the United States Chamber of Commerce, "The New Business Era," will enlighten the members and the public on the progress the business man has made in the narrow channel and how nearly he has reached the open sea.

"The New Responsibilities of Business" which I have been asked to discuss are of three characters: The relations of business men to each other, to the employes and to the public; and these three responsibilities are interrelated.

### Three Responsibilities

**I**TAKE it that there is one ideal in the three responsibilities and that is *service*. Business men have listened to the clarion call which has been ringing throughout the world; and they have organized to respond to it. This great chamber is the outstanding witness. Here you are with 1,500 constituent members, Chambers of Commerce and Trade Associations located in every state of the Union with 800,000 members, sending delegates here for reports and conference and planning action with the Advisory Committee representing the eight divisions of your organization. Here you are to receive light and leading. Here is the center to which your trade associations report. Let us look in a very general way upon the methods by which they are meeting their responsibilities, by citing typical instances.

1. The relations of members to each other. They are summed up in one word—cooperation. I have been allowed to read sixty reports of work of trade associations. In some associations there is the system of arbitration of disputes between members, in some cases compulsory, and even directed to disputes with non-members. In 59 associations there is joint advertising each of the particular business, carrying 1,237 pages in 25 periodicals.

Here are some of the activities of one or another of the trade associations: To solve a problem difficult and in some cases almost impossible as to how to bring about improvement in conditions to enable members, especially the weaker ones, to stay in business in what is characterized as "a deplorable competitive situation." To help small manufacturers by giving information they cannot afford to get. To obtain for

common use legal opinions on trade difficulties. To put a stop to unfair competition, involving often graft in obtaining orders. To improve standards in order to meet and overcome cut-throat competition by inferior substitutes. To improve stand-



Haley Fiske

ards and qualities, to comply with building ordinances and to strengthen and improve the laws. To establish ethical codes in competition. To send out inspectors to factories to make tests to improve quality and raise standards. In the coal association to promote safety in mining.

### Getting Rid of Wastes

**C**OOPERATING with the Federal Board for Vocational Training to give training courses in localities and by literature to enable merchants to survive competition of chain stores. Cooperation with the Department of Commerce in standardization and eliminating duplication. You may be familiar with the astonishing results achieved in this line—reducing varieties in hotel chinaware from 700 to 160, in milk bottles 49 to 9, in bed blankets 78 to 12, in paving

brick 66 to 4, in asphalt 88 to 9, in files and rasps 1,351 to 496. In one industry to find means to reduce failures—it is said they amount to 50 per cent—arising largely from ignorance of conditions.

To set forth models of stores and of fixtures. In one industry \$70,000 were saved on one item of the manufactures. One industry has surveyed establishments covering fifty millions of dollars of business to fix proper ratios of assets, liabilities, income and expenditures; and has brought about vocational training and furnished help to the small concerns.

In many industries considerable sums have been spent in research work, some on physical and chemical standards of raw material. It was research work which brought about the plans for model stores and accumulated a very large library of information. Research work in laboratory has made data available for the cement association, is promising in another industry to revolutionize the product and to put the people in it "on top of the world," as one representative visualizes it, in another the improvement of lacquer. One industry has raised \$500,000 for research. Another has a laboratory and a fellowship in a university, with special studies in sterilization of food products. Another a research seeking means to insure quality at a reasonable price. Another into nutritive values of food.

### Real Cooperation

**I**T IS to be noted that all this research work is by associations for the benefit of all of their members. It is real cooperation.

2. Relations to the public. As to this it is certain that all of the work described is a service not only to members but to the public. It all goes to the improvement of what the business men make and sell and much of it goes to cheapen costs and selling prices. The constituent associations are also working for the protection of the buying public. One industry educates the employes to produce good output and has actually got 70,000 of them to sign pledges to give the right kind of work and to replace inferior work—many of these are foreign born who are thus trained in American ways. Several of the associations are fighting against misbranding and mislabeling, in other words, against deception of the public as to material and quality. Some of them as associations guarantee the quality evidenced by standard labels. One association certifies an important product where deception would be easy and non-compliance with legal requirements might be concealed. Another association standardizes grades and correctly marks them upon the product. Another enforces stand-

ards recognized throughout the world for measurements and inspection.

Another association is engaged in eliminating trade abuses and unfair methods of competition, including such matters as short weight, short measure, misbranding and misrepresentation. One association has as its main object the adjustment of consumers' complaints. Another devotes much attention to the prevention of accidents in street travel. I think the improvement in the character of advertisements most noticeable; and I believe this is largely due to the discrimination and efforts of trade associations and to the joint counsel and ambition of the Association of Advertisers. Advertising seems to be developing as one of the fine arts.

#### Hoover, a Master Intellect

IT would not be right to close this summary of what is being done by the business men in relation to each other and to the public without a tribute to the magnificent leadership and cooperation of the Department of Commerce under the direction of the master intellect of Herbert Hoover, whose vision is world-wide, whose analytical mind penetrates all industry, all commercial relationships, all problems of human life and welfare, all branches of economics.

3. Relations to employees. It must be admitted that if business men as employers have hard times the history of the workers has been a sad one. In colonial times there was no industrial class struggle. The first change came when improvements in transportation broadened the market for goods, and increased competition and a wholesale field were developed. Cut prices resulted in effort to reduce costs and the first method was naturally reduction of wages.

Then came trade societies and strikes and the limitation of apprentices. Before 1830 there were labor organizations and strikes among printers, shoemakers, hatters, tailors, weavers, nailers and cabinet makers and unorganized strikes in the textiles and building trades. The merchant-capitalist developed the sweat-shop system. The next generation witnessed a consolidated labor movement and entry into politics. In the sixties perfection of machinery changed production from a nondescript to a machine basis; then more severe competition and wage cutting. For twenty years there were a number of experiments by working men and their associations in cooperative factories reaching a total of two hundred, with insufficient capital, which finally died out because of unsuccessful management.

Later came the growth of trade unionism; and labor seems to have come into its own. Taking wages and prices of 1913 as 100, the union wage rates last August were 238 and prices 150. Along with it has come increased productivity. Taking 1914 as 100, the 1925 index showed in iron and steel 149, automobiles 310, boots and shoes 116, pulp and paper 125, cement 157, leather 128, flour milling 139. The trade union principle for wages is based upon their purchasing power and in proportion to man's improved power of production.

There seem to me to be increasing signs of better understanding between employer and employee. There is much evidence

that business men are regarding the human element in labor relationships; on the other hand that the trade unions are recognizing that peace and prosperity can be promoted by understanding, by cooperation, by recognition of a common interest in industry.

We are witnessing many experiments: personnel administration; cooperation in shop management even in some cases including wage adjustments; suggestion systems with prize awards not on wages but in the promotion of efficiency, in improvement of apparatus and conditions under which it is used, and in saving of time, money, labor or material; single company unions; accident prevention; hygienic attention to workrooms; medical and surgical attention, dental work, nursing, cafeteria service, milk supply; profit sharing; stock purchasing by employees helped by contributions from employers; mutual benefit associations with corporate assistance; pensions; efforts in seasonal employments to cut down lay-offs and even giving allowances in cases of unemployment; intensive health work.

One of the most interesting experiments in this last mentioned work is in an industry with a very high death rate from tuberculosis and silicosis, where a campaign has begun financed by the United States Government and a life insurance company, whose joint contributions have been doubled by the employers.

#### One Phase of Group Insurance

I REGARD group life insurance with all its ramifications as entering in a most important way into industrial relations. It operates in two ways. One is to bring home to the employer his responsibility for the welfare of his employees as human beings and the economic quality involved in the brotherhood of man. The other is to bring home to the employee his correlative duties and the economic advantage of becoming a real partner in industry quite aside from any division of profits—although that may be an indirect result in the way of wages, continued employment and living conditions and ultimate pecuniary rewards.

It is of immense benefit to industry that employees should remember that employers are human beings even though they act in a corporate form. In group insurance, employer or officers of employing corporation and workers are insured by one contract, the premiums being contributed by both parties—for 95 per cent of the group business is on the contributory plan.

The contract may provide for life insurance, accident insurance, insurance against sickness, pensions, insured savings, insured thrift and some day we hope unemployment. Incident to it in some companies are free nursing, the distribution of health and safety literature, surveys of places of employment, free advice on sanitation, healthful conditions as to light, air, pure water, safety, humidity, heat, elimination of dust, occupational disease control, accident prevention, even on machinery, factory methods, cost fixing, distribution and allocation of factory divisions, on personnel, the creation of good morale, recreation, housing, draining, diet, rest rooms, rest periods, assistance to building loan associations, mutual benefit societies, social organizations. A long catalog, is it not?

And yet every one of these items is on the actual program of one or more of employers. The number of insured is rapidly increasing and is now over five millions and has more than tripled in the last six years. These activities of employers are cooperative in the same way as your trade associations are cooperative.

One company has seven divisions in charge of service to employers. When a problem is presented to the insurance company by an insured employer, the company communicates (of course without mentioning names) to every other employer in the same line of business, correlates the replies, adds its own advice based on research and study, and sends the result to the enquirer.

These seven divisions were organized by one of your officers, James L. Madden. After putting them into operation, he was released to the United States Chamber of Commerce to organize your Insurance Section. You will admit that this work has been efficiently done. Now, I am glad to say, he is to return to the service of the life insurance company indicated, to pursue, intensify and expand the work. His experience with you has broadened his outlook and intensified his zeal.

Having reviewed the efforts of business men to live up to their duties to the employed, it is most interesting to observe the reaction upon organized labor. I find great satisfaction in quoting the words of Mr. Green, the president of the American Federation of Labor: "The employers and employees owe it to themselves, to all who are dependents of industry and to our nation to avoid subterfuges, to accept and engage in collective bargaining, to recognize and respect the rights of each other," and he pleads for "the maintenance of harmonious relations through personal association, honest and sincere dealing, through conference and education."

Anybody who has watched the recent trend of the pronouncements from labor organizations and the speeches of their enlightened leaders like Mr. Green and Mr. Woll, must have recognized an entirely new attitude which labor is taking toward the employers. There is every evidence that organized labor is recognizing the responsibilities of capital and the representatives of capital.

#### A New Business Era

HERE is a new situation—"a new Business Era." Both sides are calling for mutual understanding and both are expressing the duty of public service. I have tried to point out by actual examples the "New Responsibilities of Business," the subject assigned to me. You are living up to them in an outstanding way. They are, to sum up, to elevate our ideals. The true ideal of the business man is to be of service to his country, to his associates in occupation, to the public, to those dependent upon him. Righteousness exalts business. High ideals elevate the individual. There is nothing in the world that appeals to a man's conscience like service. Ambition fades. The glory of wealth fades. Extent of power fades. What does remain here and throughout eternity is that every man try his best in serving God to serve well his fellow-men.

# What Will Europe Renewed Mean to Us?

By THOMAS W. LAMONT

*Of J. P. Morgan & Co.*

**W**HAT is America's policy as to foreign investments? When I ask this question I am, of course, referring in no way to the obligations of foreign governments which the United States Treasury holds, nor to its manner of treating those obligations. I am dealing solely with the foreign loans or investments made by American citizens.

Suppose we look first at our financial dealings with our near-by neighbors. The loans made to Central American and West Indian governments have (with the exception of the Cuban, to which American loans now outstanding aggregate \$79,464,900) been negligible in amount. Mexico, prior to the series of revolutions, which all the friends of Mexico hope are now ended, borrowed extensively in the foreign markets. I happen to be chairman of an International Committee formed in 1919 to endeavor to protect the interests of the holders of Mexico's foreign bonds which aggregated (with accrued interest) about \$725,000,000 (including the National Railways' debt). Upon the invitation of the Mexican Government I visited Mexico in 1921 in order to study the foreign debt situation with the government officials.

#### Mexican State in Earnest

**I**N PURSUANCE of agreements subsequently entered into our protective committee has received from the Mexican Government upwards of \$30,000,000 gold for distribution to bondholders. It is true that such sum represents only about a quarter part of what was due upon the original obligations. Nevertheless, the remittance by the Mexican Government of a sum as considerable as that stated is evidence of an earnest desire on the part of the Mexican State to fulfill its obligations to its foreign creditors.

The handling of the land and oil questions has, however, had the effect of discouraging most of the British and American oil companies operating in Mexico, and their oil production has fallen off heavily. For instance, the production of oil, which in 1922 amounted to 182,200,000 barrels, fell in 1925 to 115,500,000 barrels, and in 1926 to 90,500,000 barrels. The production in 1927 is hard to estimate, but if continued at only the present rate will be materially below that of 1926. The taxes levied by the government upon the production and export of oil form its greatest single source of revenue, and this diminished production of oil has cost the government heavily.

#### Little Foreign Capital Invited

**U**NTIL these perplexing questions now at issue approximate settlement, it is not probable that Mexico will invite foreign capital to seek outlet there on any large scale. I believe that the United States has the greatest possible friendliness for our nearest neighbors on the south and desire for them nothing but peace and prosperity. I know of no group in the United States, having direct contacts or dealings

with Mexico, that is not anxious to meet all questions at issue in the same spirit of patience and good-will. The country undoubtedly noted with great satisfaction



Thomas W. Lamont

President Coolidge's recent hopeful utterances.

As to Central American countries, south of Mexico, for instance Nicaragua, American bankers have been charged in some quarters with seeking to make loans to Nicaragua and then invoking the aid of the American Government to protect such loans. It so happens that the firm of which I am a member has never had the slightest interest in loans accorded to the Government of Nicaragua. Therefore, possibly I may speak without prejudice.

It was in 1911 that, at the request of the American Government, certain American bankers undertook to render financial assistance to Nicaragua. Since that time Nicaragua has benefitted by a striking reduction of its public debt; from approximately \$32,000,000 to approximately \$6,625,000, largely through adjudication of claims, funding of outstanding obligations and careful handling of government revenues. Nicaragua, whose currency was in complete chaos in 1911, now owns a national bank, which has paid in dividends since its formation in 1912 \$290,000; and in addition has built up from earnings a surplus of approximately \$300,000.

American engineering skill has taken the chief railway of Nicaragua, which sixteen years ago was described as a streak of rust, and from a broken down and unprofitable road has turned it into an efficiently operated property. Previous to the present revolution the earnings from the railroad and from the bank, both of which were entirely owned by the Government of Nicaragua, were sufficient to pay the entire interest charges on the government's foreign and domestic debts. It is only fair to say that American banking guidance of Nicaragua's financial affairs caused business there to grow and prosper; and such American commercial interests as now exist in Nicaragua are the result of these American bankers having put the country on a gold basis, of having secured an efficient and honest collection of revenue, of having organized and successfully managed the national bank, and of having rehabilitated the national railroads that effectively served the industrial needs of the country.

Incidentally, two points may be noted. From 1911 until the end of 1925 (covering the latter part of the Taft, the two Wilson, the Harding and the Coolidge administrations) the American Government maintained a small legation guard in Nicaragua. During that period the country was stable and prosperous. The accomplishments in behalf of the government which I have described were being steadily carried on. The marines were withdrawn in 1925, a revolution began, and the Nicaraguan Government has now been obliged to go again heavily into debt. The other point is that bankers never took part in Nicaraguan affairs until the United States Government under President Taft undertook to negotiate a treaty with Nicaragua calling for financial cooperation on the part of American nationals.

#### Reign of Terror and Blood

**T**HE cases of the Haitian and Dominican Republics have much that is in common. In the ten years prior to 1915 there was almost constant bloodshed and terror in Haiti. Conditions became so desperate that, as Mr. Wilson's Secretary of State, Mr. Lansing, pointed out in his letter to the Select Committee of Congress on Haiti, it became evident to the Administration after the violation of the French Legation that "if the United States had not assumed the responsibility (of action) some other power would. To permit such action by a European power would have been to abandon the principles of the Monroe Doctrine." Under the treaty ratified between Haiti and the United States in 1916, the American Government undertook to use its good offices to provide Haiti with an efficient and stable fiscal administration, and in 1919 a consolidation loan of \$16,000,000 was issued by American bankers. In 1915, prior to American intervention, Haiti's public debt stood at approximately \$36,000,000. Today it has been reduced to less than \$22,000,000. Budgets have been balanced regularly and instead of the usual annual deficit

the Haitian Government now keeps a surplus of about \$5,000,000 on hand; roads and other public works have been constructed; an agricultural department has been established under American experts to teach the Haitians better farming methods; the gendarmerie has been established with both native and American officers, and sanitary conditions have been immensely improved.

#### Less Turbulent than Haiti

THE record of San Domingo has been less turbulent than that of Haiti. Yet under circumstances that were becoming intolerable the American Government intervened in 1916 in the affairs of this Caribbean neighbor of ours. When the Dominicans failed to cooperate in the American plan for peaceful administration of the republic's affairs, President Wilson finally directed in November, 1916, that a military government be instituted. Its administration was so effective that in less than a year the Dominican Government had a surplus of over a million and a half dollars on hand. Claims against the republic aggregating about \$15,000,000 were settled for approximately \$4,500,000. Various American loans for constructive purposes were made and such loans now aggregate \$15,000,000. Late in 1922 the American military administration was withdrawn.

The present administration here at Washington requires no apologists. But from a study of the record it is difficult to see the grounds upon which certain portions of the public press charge the present Administration with new and imperialistic policies in Central America. The attempt to maintain reasonable order and prevent unnecessary bloodshed among these nearby neighbors was made a policy of our government between fifteen and twenty years ago. Laudable as such a policy may be considered, it was not inaugurated by the present Administration, but it has been followed by it with restraint and prudence.

#### Reviewing Our Credit Change

NOW as to the world at large, we are all familiar with the old story as to how America's credit position has changed in the last decade. Even, however, at the risk of repetition, we must cover the same ground again. We must recall that up to the outbreak of the war, America had for decades been borrowing heavily in Europe; that to a very considerable extent the building of our transcontinental railways in the nineteenth century, and the development of our agricultural lands were carried out with money loaned to us by British, French, German and other European investors. It was estimated that at the outbreak of the war British investments overseas amounted to approximately \$20,000,000,000. During the war British investors sold their American holdings upon a large scale. Yet the Chancellor of the British Exchequer stated in 1925 that his countrymen still held in foreign investments an amount equivalent to almost \$15,000,000,000, and no doubt these have now again reached a figure of \$20,000,000,000. Because, however, of America's enormous excess of exports over imports (such excess for the war years 1915 to 1920 alone being over \$18,000,000,000),

because of the heavy repurchase by Americans of their own securities and because of the foreign loans made in the last decade, America's credit position has now been so far reversed that it is figured that the gross annual interest and sinking-fund service payable to America upon foreign loans issued here (including the governmental loans), and the dividends from industrial and other investments now total about \$1,000,000,000 per annum.

With such a great sum due each year to America, naturally the question arises as to how much further foreign countries will be able to stand this annual burden. Will their exports so far exceed their imports that they can continue (except by continuous fresh borrowing) to transfer the sums necessary for interest and sinking funds?

#### Europe Not Sole Debtor

DO NOT get the idea that all our American loans of recent years have gone to European borrowers. We must not overlook the large sums loaned and invested in many other corners of the earth. Here is a rough summary of them all up to a year ago, according to figures compiled by the Department of Commerce:

#### ESTIMATED VALUE OF AMERICAN INVESTMENTS ABROAD ON DECEMBER 31, 1925 (IN MILLIONS)

Regions—	Government and Government Guaranteed Obligations	Industrial Securities and Direct Investments	Total
Europe .....	\$1,825	\$675	\$2,500
Latin America .....	910	3,300	4,210
Canada and Newfoundland .....	1,175	1,650	2,825
Asia, Australia, Africa, and rest of world .....	520	350	870
Total.....	\$4,430	\$5,975	\$10,405

To this total might be added say \$1,000,000,000 for new issues (less refunding) in 1926. Of course, any inclusion of intergovernmental debts would greatly increase the grand total.

And here follows a summary (without deduction for refunding operations) of

#### FOREIGN GOVERNMENT, STATE, MUNICIPAL AND CORPORATE LOANS PUBLICLY ISSUED IN THE UNITED STATES FROM 1919 (THE ARMISTICE) TO 1926 INCLUSIVE

Year	Government, Provincial And Municipal	(1)		Total
		(2)	Corporate	
1919....	\$511,500,000	\$105,448,000	\$616,948,000	
1920....	337,055,000	228,626,000	615,681,000	
1921....	463,573,000	169,867,000	633,450,000	
1922....	624,174,000	124,051,000	748,225,000	
1923....	379,482,000	53,931,000	433,413,000	
1924....	880,703,000	317,776,000	1,198,479,000	
1925....	776,022,000	515,971,000	1,291,993,000	
1926....	719,935,000	725,877,000	1,445,812,000	
	\$4,742,444,000	\$2,241,547,000	\$6,984,991,000	

For what purposes have these various loans been made? In general we may answer that they have been made for constructive purposes. In the early years following the Armistice, loans, publicly issued, aggregating several hundred millions of dollars were made to the Allied Governments, chiefly to the British and French, whose Governments have borrowed

here respectively since the Armistice—\$250,000,000 British, and \$300,000,000 French. During the same period Belgium has borrowed \$285,000,000. The earlier of these loans were of course made largely for the purpose of refunding loans made during the earlier years of the war. The later loans in the case of France and Belgium were made for reconstruction and for measures looking to currency stabilization.

#### Loans to Europe Recent

LOANS to the Central European countries did not begin until 1923. You will recall the first one of those reconstructive efforts. It was the case of Austria, reduced to a state of limited proportions and resources, shorn of much territory, given over to hopeless inflation, with ruin staring the Austrian people in the face. The League of Nations prepared a scheme of rehabilitation. Despite predictions of failure, it was taken up, and towards the successful loan of \$126,000,000 necessary for stabilization, reorganization of a new central bank of issue, etc., American investors subscribed \$25,000,000. A year later, with Hungary apparently going down the same toboggan slide from which Austria had been rescued, the League of Nations again devised a financial plan, and again a good portion of the loan necessary thereto was issued in the American markets.

Then came the great international loan for the equivalent of approximately \$200,000,000 to the German Government, over half of which, \$110,000,000, was successfully taken up by American investors in October, 1924. This was the loan necessary to set the Dawes Plan under way, and I hardly have to describe to you how vital was the inception of the Dawes Plan to the tranquility of all Europe.

One can reasonably say then that America has taken a generous part in these great efforts for European reconstruction. In each one of these loan offerings in the American markets an appeal has been made to the investment community on the ground of helpful cooperation in world affairs. Naturally, however, the bankers would never have ventured to make such an appeal if they had not first convinced themselves that the loans were sound in themselves and so set up as to give every promise of being met at maturity.

During this same period America's loans to other parts of the world have, as I have just pointed out, been considerable. Among these I might mention particularly the great loan of \$150,000,000 to the Japanese Government in February, 1924. This was the reconstruction loan which enabled the Japanese Government to conserve its external resources and still continue unabated the rapid work of reconstruction following the disastrous earthquake and fire of September, 1923.

Another quarter where American investors have lent money for the first time on any considerable scale has been Australia. In July, 1925, the Commonwealth of Australia borrowed here \$75,000,000. One of the states of Australia, New South Wales, has recently borrowed \$50,000,000 here. Another foreign state that might well be mentioned is the Republic of Argentina. Prior to the war, the bulk of

Argentina's loans came from Great Britain. During the war, New York naturally became the chief loan market for the South American states, and Great Britain has not yet been able to resume her lendings there upon her former scale. During and since the war, the Argentine Government has borrowed in our markets a net total (after allowing for the repayment of short-term indebtedness) of \$230,000,000.

#### General Purposes of Loans

I HAVE indicated the general purpose of these loans; such for instance as financial reconstruction and currency stabilization in the cases of Austria, Hungary and Germany; material reconstruction in the case of Japan; development of public works and refunding of floating debt in the case of the Argentine, etc. Again last October an international loan of \$100,000,000 of which America's share was \$50,000,000 was made to Belgium for the purpose of stabilizing the new currency, furnishing ample gold reserves to the central bank of issue, etc. When the British Government determined to return to the gold standard in May, 1925, the Government and the Bank of England between them arranged in New York for two-year credits aggregating \$300,000,000. Little if any, however, of this credit was ever availed of, and the Chancellor of the Exchequer has announced that no request for renewal will be made.

France and Italy are the only two great powers of Western Europe which have not yet returned to the gold standard. It has been generally supposed that when these two countries decide to stabilize upon a gold basis they will as a measure of insurance require certain foreign credits, perhaps in the same manner that Great Britain arranged her credits in May, 1925. Yet in the case of France, its financial position has changed extraordinarily for the better in the last nine months. The world has seldom seen such a remarkable reversal and restoration of confidence as that shown by the French people in themselves and in their currency medium since M. Poincaré undertook the reins of government nine months ago. The foreign balances of the Government and of the Bank of France have mounted so rapidly that if and when France determines to resume gold payments she may be able, if she prefers, to do so without negotiating any considerable external credits.

#### What Italy Is Doing

THE Italian Government, too, has presumably been acquiring very material foreign reserves. The Government borrowed direct here in November, 1925, \$100,000,000, the proceeds of which loan are said to be still practically intact. Since that time governmental agencies and Italian municipalities have borrowed a sum equivalent to approximately another \$100,000,000, the proceeds of which have undoubtedly been made available to the Government and/or to the Bank of Italy for additional reserves.

The question which perhaps interests us most is whether, and if so how long, America will continue to lend abroad sums upon anything like the present-day scale; the Department of Commerce having re-

cently estimated that foreign American investments of all classes amounted to approximately \$12,000,000,000. I cannot attempt to answer this question. Yet we can note some of the factors that are likely to affect the increase or retardation of this flow of American capital overseas. It is for instance clear that Europe is steadily getting more firmly on its feet. As farming land is restored, as manufacture increases, the necessity for purchases in America will diminish. As European enterprise prospers and as savings increase European investors will more nearly be able to return to their former practice of supplying capital for their own development.

Then, too, there is or has been available here in recent years a large amount of European capital which was driven out of Europe by the fear of inflation. A few years ago we were hearing much about the flight from the franc or the lira or even from the pound sterling. No doubt such foreign capital aggregating several hundred millions of dollars found temporary refuge in American investments. With the European currencies either stabilized or near the stabilization point it is natural to suppose that this capital is returning home and will be utilized in the markets there, thus further diminishing the demand upon America for foreign loans. Or if this capital does not return home the income from it will serve as a balance to these international accounts.

#### America Must Go Slow

FROM the point of view of the American investor it is obviously necessary to scan the situation with increasing circumspection and to avoid rash or excessive lending. I have in mind the reports that I have recently heard of American bankers and firms competing on almost a violent scale for the purpose of obtaining loans in various foreign money markets overseas. Naturally it is a tempting thing for certain of the European Governments to find a horde of American bankers sitting on their doorsteps offering them money. It is rather demoralizing for municipalities and corporations in the same countries to have money pressed upon them. That sort of competition tends to insecurity and unsound practice.

The American investor is an intelligent individual and can be relied upon to discriminate. Yet in the first instance such discrimination surely is the province of the banker who buys the goods rather than of the investor to whom he sells them. I may be accused of special pleading in uttering this warning. Yet a warning needs to be given against indiscriminate lending and indiscriminate borrowing. In this I think my banking friends generally will cordially agree.

Another point that American lenders may possibly have in the back of their heads is this: that many economists have of late been raising the question as to whether, when Germany's maximum payments under the Dawes Plan begin to fall due in 1929, she will be able to make the necessary transfers to meet them; and if not, what will be the solution of the situation that will arise. I may recall to you that the distinguished Chairman of this

dinner, when he returned from his performance of those very eminent services rendered in the devising and setting up of the Dawes Plan, pointed out that the Dawes Committee had never maintained that the Dawes Plan in itself was necessarily a final solution of the Reparations problem. It was manifest that the Dawes Plan furnished a bridge for the Allies and the Central Powers to cross over the great gulf that had been fixed by the continued and ever increasing dissension over the problem of reparations, a disagreement that with the invasion of the Ruhr almost threatened Europe with a fresh war. It has been pointed out many times that the great feature of the Dawes Plan was that it furnished a modus vivendi. It put the question of the Reparations outside of politics and gave the European nations time to settle down and pursue fresh methods of reconstruction and appeasement.

Until, however, Germany's ultimate liability has been determined the economists maintain that the Reparations problem will not have been finally solved, and as the time approaches when heavier payments become due from Germany to the Allies the question may come up in some form. For the long run the American investor will be satisfied to continue his loanings on a heavy scale to Europe only when he can feel that the whole question of inter-allied and inter-governmental loans, including the reparations due from Germany, has been settled equitably and finally.

#### Europe Is Coming Back

EXCEPT for this question as yet not wholly solved, and with Russia so to say still in the twilight zone, Europe seems to be pretty well out of the woods. Certain of the statesmen on the other side, men of sobriety and judgment, experienced and schooled in the world of politics, declare that Locarno means the permanent appeasement of Europe, a new era; that while there may be occasional embroilments, even sporadic armed conflicts, there will never again be any great cataclysm on the continent of Europe; that within the lifetime of our youth war will have become as outworn as witchcraft, slavery and dueling. It is not inconceivable that Europe may some day become a great region of free trade as the United States is within its own borders. Such a development may take a long time in coming; on the other hand it may move much more swiftly than we imagine.

If it does we shall be able within a short span of years to witness a Europe restored, industrious, stable, peaceful, far stronger in every way than it has ever been in the past, with armaments vastly reduced, with swords beaten into plowshares, and with a future bright with promise.

It would be well for the American man of affairs to look forward to prepare himself to do business with a Europe of this sort. Off hand, one might say that industrial competition from a Europe so unified would be much more formidable than ever before. Yet such competition from a world across the sea, well ordered and at peace, is competition that America can well afford to welcome rather than fear.

# The New Era Between Nations

THE CONGRESS of the International Chamber of Commerce to be held in Stockholm from June 27 to July 2 will be the fifth congress of the organization, the preceding ones having been held in Paris in 1920, in London in 1921, in Rome in 1923, and in Brussels in 1925.

Beginning with the representatives from the five allied and associated powers at the meeting in Paris in 1920, the organization has steadily expanded and at the Stockholm meeting there will be accredited representatives from forty-four countries, and aggregating between 900 and 1,000 delegates.

## A Body of Reconstructionists

FROM the beginning the primary work of the organization has been directed towards the economic restoration of the world following the great war, and the work of each congress has been very carefully and systematically prepared with the purpose of contributing importantly to that objective.

This work divides itself automatically into two parts—first, the consideration of the great major underlying principles; and, second, the consideration of the details of operations upon specific efforts.

Following the Brussels meeting, the Council of the International Chamber decided that the next congress, which will be the Stockholm Congress, should give particular consideration under the broad survey of economic restoration. The important consideration in this is the question of trade barriers, and two special committees were appointed, one, the special Committee on International Settlements, and the second, the Committee on Trade Barriers, for the consideration of this all-important subject.

The Committee on Trade Barriers in turn was divided into seven sub-committees which represented the seven major elements to be considered under the heading of trade barriers, and the various national committees have sent to headquarters in anticipation of the congress their reports upon each subject.

The Committee on Trade Barriers has prepared its report from the reports of its sub-committee, and, on the invitation of the Economic Section of the League of Nations, has submitted a similar report to the Economic Section of the League, which convenes in Geneva on May 4. The subject is extremely comprehensive and has taken much time and thought of a large host of first-class and unselfish men and should be a very vital contribution to general education upon the subject.

The Stockholm Congress will, therefore, be obliged to pass upon this report of the Trade Barriers Committee and make such changes, if any, as the judgment of the congress may dictate. It will also be obliged to consider the resolutions of the Economic Congress of the League of Nations and to voice the opinion of organized business in the world upon the conclusions of that congress. The congress will also consider the active steps necessary to give

By WILLIS H. BOOTH

*Vice-President, Guaranty Trust Company, New York*

effect to its resolution so that its work will not be spent entirely on the educational side but will be organized internationally so as to make it effective. Undoubtedly numerous suggestions will come from various delegates in regard to the work of the



PHOTO © H. S. E.

Willis H. Booth

Trade Barriers Committee, and these suggestions will have to be very carefully considered and submitted to the congress for its determinations.

In addition to the general work of trade barriers, which will come under the first designation of consideration of the fundamental principles, the congress will devote itself in its numerous group sessions to a very great many technical questions. There will be at least sixteen of these group sessions, and the group sessions in turn will be subdivided into special avenues of work, each under the chairmanship of a recognized leader, who has since the Brussels Congress two years ago been giving particular thought to the question in hand.

Under the Finance Department in these group sessions will be considered bills of exchange and checks, export commercial credits, double taxation (which is a matter of outstanding importance), and international settlements and their relation to world trade.

Under the general heading of industry and trade will come discussions on rules of conciliation and arbitration, protection of industrial property, the enforcement of

foreign judgments, and the question of international fairs and exhibitions.

Under the general designation of transportation and communication will be considered air transport, highway transport, rail transport, sea transport, including bills of lading and the Vienna Rules, and also international telegraph and telephone and other related questions of communication.

Under all of these headings special reports of very well trained and experienced committees will be submitted so that there will be no haphazard effort to reach quick and unseasoned judgments.

Past experience has demonstrated that at each congress the work is taken very seriously by the delegates present and that many valuable contributions are made from the floor, both in the group sessions and in the larger general sessions. The value of all of this work has very clearly proven itself. In the hundreds of committee meetings, all international in character, which precede the congress, no less than in the meetings of the Council or Board of Directors held every few months, and in the meetings of the congress, well trained and experienced men of all nations are enabled to work side by side in an effort to reach a basis for cooperative action that will be both possible and practical. The value of this work in addition to the actual determinations reached lies outstandingly in the intercourse and understanding which the contacts develop. We who have been privileged in the past to attend the meetings of the congress can well testify to the great value of the spirit and understanding which is developed by these opportunities to work together.

## Some Active Nations

THE only commercial nations not active in the deliberations of the Chamber during the last seven years have been some of the states represented in the Pan American Union.

Certainly no countries are more seriously concerned in the economic welfare of the world than they. In the expansion and crystallizing of its organization during the past seven years the International Chamber of Commerce has moved quite as fast as it safely could. It has, however, within recent months purchased and become permanently located in its own building in Paris and its work is thoroughly and systematically organized under most competent management; its committees are made up of leading citizens of all countries represented in the Chamber, and it only needs to complete its entire world organization the allegiance of the countries of South and Central America, not now represented. In due course doubtless this will be accomplished.

No countries are ever pressed to become members, and no decisions, particularly in the Council, are ever reached except upon a unanimous basis, but the invitation is always extended to non-affiliated countries, and we hope that our ultimate objective of being representative of all of the world's nations may be accomplished.

# What Is Our Goal in Foreign Trade?

By ROY D. CHAPIN

*President, National Automobile Chamber of Commerce*

IT IS the logical purpose of the International Chamber of Commerce to promote world trade on a sound basis. Outside of the selfish interest involved, expansion of world trade affords means whereby the standard of living of all peoples is raised, better education becomes more available, finer medical care becomes possible with its resultant prolongation of life, and in general greater individual happiness is achieved.

Commerce is the missionary that, in one form or another, ministers to these wants. The time has now arrived when an international viewpoint is necessary for the long-range future of our export trade. The last ten years have seen an enormous development of world producing and manufacturing capacity. Europe finds need of keeping its factories busier. We are lucky in the great volume of our domestic consumption but our productive facilities have outrun this and the next five years will see European and American manufacturers in a great struggle for world markets.

#### A New Conception of Selling

AMERICA enters this new era with an entirely different conception of manufacturing and selling methods than ever before. We are now aiming constantly at low selling prices and low profits per unit rather than high. Our evolution of this new policy has proven it so practical and helpful to our people that it has given us complete control of our domestic markets in almost all products. Europe is now heading toward mass production and is constantly sending its factory experts here to study our methods.

In the United States we have learned to spend money to make money. While we have done this our savings have steadily increased. We have turned many of the so-called conveniences and luxuries into new tools for the production of wealth.

At the present time we spend a billion dollars a year for American highways. Instead of being a drain upon us, these roads have turned into extraordinary arteries of commerce carrying people many more passenger-miles annually than do our railroads. Nevertheless they have proven a great supplementary force in bringing freight to and from the railroads. Highways are costly but it is cheaper to have them than not. So it is with our railroad mileage, the telephone and telegraph, and many other things.

#### Mass Selling, a New Force

MEANWHILE another great new movement has taken place. I refer to the trend toward mass salesmanship.

If mass salesmanship is a success in this country and the world markets of all industry must be expanded to keep the productive capacity busy, why not unite the mass salesmanship of the world?

Why should not our organized industries combine their efforts with European and other manufacturing countries to increase legitimately the world consumption? Mind you, this is entirely different from any

combination to divide up the trade of the world. Its purpose would be to enlarge world demand and keep all production facilities busy.

Mankind is just awakening to many of its needs. It is willing to work harder to satisfy them. This extra labor will supply the goods to pay for more of our products. International organization of each industry can point the way to greater world production and consequent consumption. The first incentive, however, must be the desire to consume. Otherwise why should a man labor at all or why should he become more efficient?

Greater consumption will mean not harder labor conditions but probably less hours of actual work. It simply will be more effectively accomplished. The time has arrived when the heads of our American industries can well meet with the leaders of their industry in other producing countries with the purpose of studying ways of increasing world consumption in their particular line.

Is this a selfish program? No; because the world can only buy as it produces more in each separate country. This means greater wealth and the immediate raising of living standards, surely the ambition of every father for his own family, whether in the Americas, Europe, Africa or Asia. Hence we are right in supplying the incentive to consume. Is not the rest of the world entitled to its full measure of prosperity? In uniting for this program we are cooperating with them to this end and without harm to ourselves.

I believe our great natural resources are a smaller factor in our present-day prosperity than is customarily thought. American manufacturing and business methods have created a wonderful consumptive demand. Money has been circulated more rapidly. The very size of our production and consequent competition is stimulating new ways of manufacturing that are better and cheaper.

#### Europe Has Greater Capacity

EUROPE has great productive capacity, but local markets are unwilling to buy in sufficient quantities, and world markets are relatively undeveloped. In the past two years we in the motor industry have seen a radical world increase in the desire to own motor vehicles. Other manufacturers have recognized the rapid growth in their demand. I believe that the average citizen of this sphere is just beginning to realize that there are many things he had thought beyond his ability to own which are worth his while to possess and he makes the purchase.

Within five years world trade under present conditions may be so highly competitive that it will be unprofitable for many manufacturers. Why not keep the present world producing capacity busy by

increasing world consumption and automatically adding to the wealth of all countries by so doing?

Why spend any of our appropriations for the advertising and promotion of export trade in a sales fight *against* the goods of other countries? This would only be wasteful and cause much bitter feeling. The results will be far more profitable if these funds and this effort are devoted to a joint stimulation of the demand for the particular goods involved.

It is very easy to say we can outsell and underbid Europe. However a safe margin of profit must always be kept in mind. Cut-throat competition means selling methods that make for hatred, profits are lowered or wiped away, and wages must come down. Individual happiness is surely not based on low wages, but rather upon a constantly higher standard of living and wages which permit this. Therefore, let us stimulate the world market on a cooperative basis, aid every one to a profitable volume of business and permit the payment of more than a living wage.

The fact of cheap labor in any country is often a disadvantage to it. Why not have the happiness that goes with higher living standards?

Cheap labor means small consumption of goods and usually results in small output. Muscle is no longer the modern measuring stick of a day's work. Instead, the use of power has greatly increased man's productive ability and correspondingly his wages have gone up.

#### High Wages Our Pride

IT IS a source of great pride to our industrial leaders that high wages are a natural result of our new manufacturing methods. Europeans come here now to study our factory operations. All great American plants have a steady string of visiting industrialists from Great Britain, France, Germany and other producing countries.

We have welcomed them, for prosperity in Europe will be greatly aided by the most efficient method of manufacturing. With consequent lower prices of products, the volume of European consumption will increase and greater individual contentment result.

We have proven it feasible to purchase goods on credit. The great rise in instalment selling has given evidence of the inherent honesty of our people and has afforded an increase of consumption that has again reduced manufacturing costs. The world as yet has not been organized for credit extension on the instalment basis. It is a field where, if sound and experienced policies are instituted, international mass salesmanship can help greatly in widening world demand.

American business men cannot do this alone. Neither can Europe. Let us combine with Europe for the benefit of our export trade as well as theirs. With the funds derived from this increased trade, in turn we will buy directly or indirectly from the countries which buy from us.

# The New Era From Four Corners

## As It Looks to New England

BY JOHN S. LAWRENCE

*Lawrence & Company, Boston, Massachusetts*

I HAVE BEEN asked to speak regarding the industrial problem affecting the eastern section of the United States. As the conditions with which I am most intimately acquainted are those of New England, I shall speak in particular of that part of the East, but in telling you something of the problems of today in New England, I believe I shall be giving you a glimpse of the problems of tomorrow in other eastern states and in even more distant areas.

Many of us feel that the problems New England faces today arise from the fact that New England, to greater degree than any other section of our country, has reached the stage of "industrial maturity."

### Birthplace of Trade

AS THE birthplace and first home of the factory system in America, it is the first section to experience, in notable degree, the conditions that come with carrying the assets and liabilities of long-established and in some instances antiquated business methods into a modern era. It will not, however, be the only section that will have to face those conditions. That is why farsighted men in other parts of the United States are manifesting a lively interest in what is going on in New England just now, feeling that our problems will sooner or later be their problems, and that they can profit in the future by our present experience.

I use the phrase "industrial maturity" to define a condition where an extensive industrial development, created and built up under the economics of a previous period, is forced to meet competition based on modern invention, new methods of production and distribution, and a greatly altered economic environment. The mill or factory located wholly with reference to a small water power, and in relation to the transportation and markets of our Civil War period, obviously has a problem different from that of the modern factory established on the basis of the economic reasons of today and not those of seventy-five years ago.

A great industrial property, ownership of which has, in the course of human events, become vested in trustees, presents a different problem than does the new pioneering industry controlled by young men with all to gain and little to lose. The community that has come to take for granted the prosperity of its industry, upon which its existence depends, because its present inhabitants cannot remember when its brick walls were not there, offers a dif-

ferent problem from the young community whose present inhabitants have seen industry in the making. Preserving industry is a matter different from creating industry.

To diagnose an industrial condition is to take a long step towards its cure. For New England, where I have been active in a clinic, I am able to describe to you the

**T**HESE United States, politically one nation, could be carved into half a dozen separate empires as great in size and economic importance as most of our commercial rivals put together. As a unit, these States are too great in extent to survey as to business conditions, yet comprehensive knowledge is of vital concern to producer, carrier and seller.

As the Chamber of Commerce of the United States is divided into four great divisions, one for the northeastern part, another for the South, another for the Midwest and one for the far West, a business expert from each was asked to present to the full assembly of the Chamber a report on how the present status of business looked to him, and to forecast the immediate future of conditions in his territory.

treatment and hold out the liveliest hopes for the patient's early recovery.

Two years ago we were concerned over the effect upon our own people of the pessimism about New England that reached us from both within and without. Today we are not only encouraged but confident. What has happened?

### Some Removals Are Real

SOME of the eliminations and removals that you were reading about as threatened two years ago have taken place. But the losses have not been nearly so great as were predicted and they have been more than offset by gains in other lines. Today those plants, as weak units in our industrial structure, are generally earmarked by the executives, but not as yet so clearly recognized by the public. They are being mentally charged off, or selected for revitalizing if they have in their structure sufficient economic margin to justify this procedure, and our prosperous units are emerging like ships from the drydocks, repaired, refitted with new rigging and sails, some with new captains and crews, but with their old names known the world over.

It is not only the survival of the fittest; the refitted shall also survive. Our well-known Boston & Maine and New Haven Railroads suffered post-war depression more severe than that experienced by American railroads generally. The sale of their shares at one-twentieth of their former conserva-

tive investment values was advertised to the world as a barometer of New England conditions. Today they have recovered to around \$50 a share, or one-quarter of their old value, and are making good progress. Their executives are today actively and consciously shaping the policies of those railroads to the present conditions and future needs of New England, realizing that their future and ours are one and the same thing.

The population of New England is increasing. One of our states shows a 23 per cent gain in six years, and the average for all is about 10 per cent. New England has but 7 per cent of the population of the United States, but is turning out more than 11 per cent of its manufactured goods. For twenty-five years New England industry as a whole has employed more people and done more business each year.

Our fears of two years ago were based upon the lack of cooperation among both the states and the business interests of New England; on our lack of realization that New Englanders, like the northern peoples generally, because of climatic conditions, have always had to work harder, and direct their effort more intelligently, to provide themselves with food, clothing, shelter and the good things of life; and, also, on the widespread failure of our people to realize

that they had settled into habits of action and thought which were not modern nor adapted to our present conditions.

We found we had been trying to deal with these conditions only by ignoring them and pretending, perhaps, that they did not exist. Two years ago, however, we established our clinic, and began discussing ourselves among ourselves, frankly, and in public. As usual in such cases, our weaknesses obtained most publicity, and our little troubles received almost national prominence. We are glad that such was the case, for what becomes a matter of public knowledge, as opposed to common but private information, cannot be ignored. Public knowledge, therefore, is the first requisite to a cure. It is to an industrial malady what sunlight is to a physical ill. Because of our unlimited confidence in the ability and capacity of our people to solve their problems and overcome their difficulties, once their determination is aroused, we could afford to have the limelight thrown for a time upon the less favorable aspects of our situation.

### Governors Given Praise

WE ARE indebted to our governors for their leadership and cooperation in bringing New England interests together for action. They were responsible for the calling of an old-fashioned town meeting, held on a New England-wide scale, in which all the agricultural, commercial and industrial

organizations of New England were invited to participate. There was thus created the New England Council, a body of 72 men, 12 from each of the six states.

Their job is to serve as a stimulating body and a coordinating agency for New England's economic interest groups. A chief part of their task is to uncover and broadcast the facts about our New England situation. They are encouraging individual interests to learn for themselves what others in their field are doing elsewhere, and improve upon it; to develop what is economically successful, to discard what is old-fashioned and ineffective. The Council has given New England its first common forum for open discussion of its progress and affairs.

Our nation needs a prosperous New England as it does a prosperous north, south, east and west. It needs the solution of the problem of industrial maturity. It is our

intention to provide both for the country.

New England is proud of her past in the nation, of the Yankee spirit and the part it has played in the development of our country. That heritage belongs to you quite as much as to us, for many of you here came from New England. But we are not contenting ourselves today with resting on our past. We are newly awakened to the fresh opportunities before us, and to the rewards which will rightfully be ours.

We stake our faith for the future on the value of the services we shall render, on the high quality and intelligence of our people, on the irresistible force that comes when highly developed individualism is harnessed into full and complete cooperation, and, finally, on our leaders, many of whom have become your leaders. Bunker Hill belongs to the United States—and so does Calvin Coolidge.

## The Southern Viewpoint

BY GEORGE H. BALDWIN

*Vice-President and General Manager, Commodore's Point Terminal Company, Jacksonville, Florida*

THE South's interest in and dependence on the great problems confronting this nation and the world today are as vital as that of any other section of our country.

The market for and, therefore, the value of our cotton, naval stores and other farm and forest products, as well as those of our rapidly growing manufacturing enterprises, depend on world markets, and, therefore, on the rehabilitation of European currencies, the setting up of stable governments, and the establishment of some agency through which public opinion over the world can be so forcibly expressed as more and more to minimize the recurring dangers of war.

### What Interests the South

WE ARE most vitally interested in the establishment on a permanent basis of our merchant marine, privately owned and operated if possible.

The development of our resources in the South is just as dependent as that of other sections on the encouragement which our Government gives capital to invest in business enterprises.

A curtailment of the demands of those with large income for tax-free bonds must be brought about to see these funds again freely invested in productive enterprises rather than in tax-free bonds. All national problems are just as vital to the people of the Southern States as to those of any other section of our nation, and in the last ten years there has been a great awakening to this fact, and a quickening of interest in national and world affairs throughout the South.

The early history of our country saw the Southern States develop rapidly in wealth, because of the enormous advantages they had in climate, rich soil, and cheap labor supply. Many of the very early railways of this country were in the South. But the close of the war between the States left the South with its wealth and its educated

man power nearly exhausted, its railways physically run down and bankrupt, and its economic structure entirely disrupted.

This left immediately facing the people of the South two great problems, which still loom large today in our commercial development; one, of creating from our own resources of forest and soil, or attracting from the outside adequate capital for this purpose; and the other, working out the relationship between the white and the negro races, which largely constitutes the labor problem of the South.

I could not attempt in the time allotted to me here to trace in detail through the many years of hardship, privation and vicissitude, the spirit of optimism and faith shown by the leaders of the South, nor the means by which their problems have been partially met in the past, but will try to give you a brief picture of some results attained, together with what is needed and being done today.

From Richmond, on the northeast, almost to Birmingham, the enormous potentialities of the water powers available have been realized, partially developed and connected with each other, through a broad belt of territory, which has been rapidly taken up by manufacturing industries using the cheap hydro-electric current as power, and using the pure Anglo-Saxon population, American born and American bred in American ideas, for their labor.

### Finishing the Raw Product

CHIEF among the industries of this section is, of course, the turning of cotton into manufactured articles of commerce. In Virginia and North Carolina large additional sums have been invested in the plants to manufacture the tobacco grown in large quantities into cigars, cigarettes, and other manufacturing industry second only in production to Grand Rapids, Michigan. Except in a small way, outside capital has developed most of the water powers and built most of the cotton mills, tobacco and

furniture plants. The district around Birmingham, rich in its minerals and coal, has astounded every one in the development of these resources. Great manufacturing plants and mines have come into being, until today Birmingham produces four million five hundred thousand tons of steel and iron, and twenty-five million tons of coal and coke each year. This development again has been largely carried out by outside capital.

The short-line railroads of the early days of the South have been gradually purchased and consolidated into the great trunk-line railway systems of today, with many miles of new main line or branches, built again, however, by outside capital.

### Outside Capital Active

OUR LARGE sawmills, fertilizer factories, cotton-seed-oil plants and other miscellaneous industrial enterprises have also largely been built by other than southern capital.

When these projects were first recognized as possibilities there were no aggregations of southern capital large enough to carry them through, nor any agencies in the South through which capital of many small investors could be joined. It was necessary, therefore, for the men of vision of the South to come north and northwest to enlist the interest of outside capital. Consequently, the policies of the major portion of our larger industrial plants, transportation and public utility companies, have been and still are dictated by non-residents. I do not mean for any one moment to intimate any criticism of those who have dictated these policies; on the other hand, we of the South are more indebted to the broad-visioned capitalists who have made possible this development than most of us today realize.

The partial realization of this debt, however, is shown by the fairness of the laws of most of our Southern States to outside capital. I need only mention the names of Flagler, Plant, Warfield and Walters to show the type of outside leaders who have done so much for the development of the South.

The capital of the South, being in small units, was used up to comparatively recent years in partially rehabilitating its farms and plantations, in the production of naval stores from its pine forests, and in small factories and other projects local in nature.

This outside capital being expended in the South has assisted our own people in gradually accumulating capital and in forming it into groups and associations of sufficient size to handle increasingly large financing of our own, and our banks have in the past ten years assembled their own clientele of small investors.

To see that this latter growth has been rapid of late years, one has only to glance at the bank deposits of the six Southern States in the Sixth Federal Reserve District, which have grown from 447 million dollars on June 30, 1914, to two billion, 303 million dollars on June 30, 1926, and bank resources have increased proportionately.

Instead of depending entirely for our industrial growth on being able to interest outside capital, we have progressed to the point where we are now able to finance reasonably sized projects ourselves, and

now we have outside capital of its own volition, studying the opportunities in the South and making investments in conjunction with our own people and financial institutions, instead of our having always to go and seek it.

Our farming before the Civil War was done on large farms under able direction. In 1850, the Federal census placed Georgia first among all the States of the Union in her personal property assessed for taxation, Massachusetts second, South Carolina third, Alabama fourth and New York fifth. Most of this personal property in the South was in farm accessories and slaves, which latter were estimated to be of about one billion dollars in assessed taxable value.

Farming after the Civil War was gradually started again, but in small units, and in most instances under relatively unintelligent direction, a great deal of it by tenant

farmers having no interest in the land, its proper use or conservation. This led to the rapid deterioration of the land and the planting of one crop—cotton.

This made large areas of our section of this country utterly dependent on the quantity of cotton raised and the market prices received. When anything happened seriously to decrease either of these, financial disaster followed in its wake.

The gradual building up of the individual capital of the southern people has made possible the swinging back of the pendulum of southern agriculture towards the large farm, intelligently operated, or even the small farm worked by its owner, the elimination of the tenant farmer, and through these conditions and diversification of farming, so that no drop in market price of one commodity does the injury that used to follow.

almost entirely upon the cost of the production as related to the cost in non-union areas.

The latest available cumulative figures on orders received from customers in Illinois, Iowa, Kansas, Michigan, Missouri, Nebraska, Ohio, Indiana and Wisconsin show decreases ranging from 6½ per cent, in Wisconsin, to 34 per cent in Ohio.

Indiana and Minnesota are exceptions, Indiana being 1 per cent and Minnesota 10 per cent ahead of last year. In cash receipts the Middle West territory is showing a small increase, especially in the St. Paul district.

So far this year business has increased in women's wearing apparel, knit goods, underwear, paints, wall paper, sporting goods, plumbing, heating and farm implements, and decreases are experienced in radios, automobile tires, hardware, musical instruments, silk fabrics, men's and boys' clothing and groceries.

Speaking generally with respect to the mail-order business there are definite signs of its picking up and with a distinct tendency on the part of the customers to economize.

The wholesale dry-goods business has not been as good for the first quarter of this year as it was last, due particularly to a further extension of hand-to-mouth buying and partially to the fact that retail business throughout the territory does not seem to be so good. Merchants in smaller places, especially in the agricultural districts, are reporting great difficulty in keeping up with a year ago. The larger cities, however, are reporting good retail business. Retail merchants seem to be convinced that prices are more likely to go down than they are to go up and they are probably justified in this belief.

#### Wholesalers Optimistic

WHOLESALE merchants are optimistic in the hope that they will enjoy a steady normal business for the balance of the year. There is, however, always in the background the fear of overproduction. As is well known, war conditions created a productive capacity in excess of the demand in all industries. Retail merchants are conscious of this condition and therefore are cautious in their buying.

Conditions in the manufacturing district in the Middle West are not quite so good as the manufacturers would like to see them. Especially is this true of some of the smaller manufacturers. There is considerable encouragement in the fact that building activity continues throughout Illinois, thus affording employment not only to mechanics at exceptionally high wages, but also keeping busy the plants which are manufacturing brick, tile, cement, lumber and other building materials.

March estimates fix the cost of buildings under construction in thirteen principal cities in the State of Illinois at about \$54,000,000 or an increase of more than \$15,000,000 over February, and a gain of a little more than \$14,000,000 over the corresponding month of 1926.

There is considerable decline in the manufacture of railroad equipment. The number of cars ordered for this year is very much below normal.

## On Behalf of the Midwest

BY SILAS H. STRAWN

*Chairman of the Board, Montgomery Ward and Company, Chicago*

THE TROUBLES of the farmer are so well known that I need not take the time of this assembly to describe conditions now existing in the Middle Western area. That there is much distress none can deny. It is a matter of common knowledge that the farmers are not enjoying the almost unprecedented prosperity that prevails in industrial centers of the country. Today thousands of farmers are struggling to save their farms and homes from foreclosure. The trouble which began in 1920 still persists in the Central and Western States and in the cotton-growing states of the South. This is not the time or place to discuss so large a subject as the plight of the farmer but the situation as to him in the Middle West may be summarized as discouraging.

#### The Status of Livestock

LIVESTOCK conditions may be summarized as follows:

1. The 1927 beef tonnage will be substantially less than that of 1926, owing to partial elimination of mature cattle. In numbers there may be as many cattle as last year, especially if present prices endure, because feed is abundant and cheap and there is every incentive to reinstate cattle in feed lots and fill pastures.

2. In any event there will be a big shortage of heavy cattle this year.

3. The corn belt is carrying as many light cattle as a year ago, probably more.

4. High current prices are attracting cattle to the market, whereas, at this time last year unsatisfactory market prices plus an abundance of cheap corn of excellent quality held cattle back to put on weight. There are probably 10 per cent less cattle in preparation for the butcher east of the Missouri River, than in the corresponding period in 1926. The bulk of them are light cattle of 1,000 pounds and less. Not to exceed 25 per cent of the heavy cattle of a year ago, meaning steers weighing 1,300 pounds or more, at the market are in sight.

#### Mines Down in Illinois

IN ILLINOIS, all mines are down except those of the Bunsen Company (United States Steel Corporation producing coal for the use of the steel company), the United Electric Coal Company, two strip operations, one at Cuba and one at Danville, Illinois. There are also two small mines in operation, one at Odin and one at Centralia, Illinois.

No one can predict the outcome of the present controversy. It is obvious, however, that the future condition of the coal industry of Indiana and Illinois depends

Furniture manufacturers show a reduction in business, and a still greater reduction is shown in piano manufacture.

Retail furniture dealers, especially in instalment houses, report poor business.

Seasonal decline on the part of men's clothing manufacture are checked by considerable improvement in women's clothing. There are also increases in the textile group, particularly in establishments manufacturing woolen and cotton goods.

The net operating income of the railroads of the Northwest up to February 28, 1927, was \$3,450,623 less than for the corresponding period of 1926. This change in the operating income of the railroads was reflected

in an advance in the operating ratio from 82.56 per cent in 1926 to 85.25 per cent in 1927.

I have endeavored to summarize briefly the conditions in the more important branches of business and industry in the Middle West.

Speaking generally it may be said that notwithstanding uncertain conditions in many lines of business and industry, the situation as a whole is favorable. The continuance and volume of the recent rains is alarming but with normal weather conditions and good crops a satisfactory volume of business in the Middle West may be expected for 1927.

## The Word on the Far West

BY HARRY CHANDLER

*Times Mirror Company, Los Angeles*

THE problems of the Pacific seaboard are problems of realization rather than of execution. In many respects the development of the great area lying between the Mexican border and the Canadian line is but little past the pioneer stage. And because of the extent and diversity of its natural resources and the wide range of its climatic conditions and topography, these problems are perhaps more numerous and varied than those which have attended the initial development of any like area.

### The West Is Still Young

FROM the modern commercial and industrial viewpoint the West is young. Most of it has little more than fifty years of actual business history behind it; a great deal of it has considerably less. Enormous areas have been put under cultivation, yet there are still vast stretches of fertile, virgin soil. The West has produced and is producing immense quantities of valuable minerals, yet there are still untouched great deposits of coal and ores and oil. The gigantic reclamation project of the Columbia River basin and of the valley of the Colorado offer as rich rewards to the hardy pioneer today as any in the history of the West. The development of hydro-electric power, perhaps our greatest natural asset, has hardly more than begun.

Forces beyond our power to control or to direct are setting the stage on the shores of the Pacific of a new theater of world events. The centuries-westward march of Aryan achievement has ushered in what for want of a better term may be called the Pacific Era. The front door of America will ultimately be on the Pacific, whose eastern and western shores are formed by lands just coming into the world's spotlight in its onward sweep from East to West.

### Stirring from Dormancy

OVER the rim of the Pacific half the population of the earth is stirring from a dormancy of centuries and moving forward toward modern standards of living. Our trade with Asia in the twelve months of 1926 equalled the total foreign commerce of the whole United States in 1900. What this commerce will become with the modernization of the Orient's hundreds of millions and the development of her immense

resources can only be conjectured. Through the Pacific ports America will supply the multitudinous and varied wants of the wakening nations of the new Far East as western Europe supplied the wants of eastern America during the latter's early development—and with similar commercial results.

Recently at Salsipuedes, Mexico, there was set up a milestone in the history of the development of the West with the inauguration of through railroad service from the Pacific Northwest to the City of Mexico by way of our largest cities. This achievement, accomplished through the bridging of the gap at Tepic between the Southern Pacific of Mexico and the Mexican National Railways, is comparable in its potentialities with the first coming of the iron horse to our own West. It means the direct linking of one of the richest agricultural areas in the world, with metropolitan markets for all its output. It brings Mexico as a whole into closer contact, social, commercial and industrial, with the United States than ever before and multiplies business opportunities throughout its length.

### A Spur to Progress

IN HER new policy of self-determination and self-government this new great artery of commerce and travel will be to Mexico a spur to progress. To the Pacific United States it will be another outlet for what it has to sell the world.

Like every section which experiences an extremely rapid growth of population, the Southern portion of the Pacific seaboard has been put to it to balance its census figures with a commensurate rate of industrial growth. Parts of this area have established new world's records for numerical increase and populations have been attained which would be economically impossible of maintenance save for an exceptionally favorable background of natural resources and industrial potentialities.

Militating against rapid industrial development has been the great distance separating this area from the old established markets of the East. On the other hand it has been favored by an unusual number of advantages, among which may be mentioned cheap power, cheap fuel, a year-round outdoor climate, close proximity to immense stores of raw materials and a labor

supply which, long maintained on an open-shop, fair-wage basis, is singularly free from the unrest which serves to cut down industrial output in many manufacturing centers.

The long-haul handicap has been more or less satisfactorily overcome by the development of water-borne commerce. Los Angeles harbor is now second in the country in point of ocean-going tonnage and the tolls paid by Los Angeles commerce through the Panama Canal are sufficient of themselves for the upkeep of that intercoastal waterway.

A large part of these shipments are of petroleum and its derivatives, the production of which constitutes one of the major industries of the region. The Pacific Southwest now produces roughly one-fourth of the whole world's supply of petroleum, which last year totaled 1,080,000,000 barrels, of which 223,000,000 came from California. A few years ago most of this oil was shipped in the crude form, but latterly a number of large refineries have been established, partly to meet the constant problem of large flush production.

The raw materials of industry are present in quantities far in excess of the requirements of the industries so far established, notwithstanding that the latter have increased some 300 per cent in the past ten years. This has resulted in a large export trade in copper, of which the Southwest produces 42 per cent of the output of America, and wool, hides, borax, cotton, etc. One of our great problems has had to do with the fact that for years we bought back our own raw materials in fabricated form at, naturally, a very large cost-increase plus freight from the Pacific coast to Eastern manufacturing centers and back again. That we are doing better in this regard is indicated by the fact that last year the three Pacific Coast States, with a population constituting 5.74 per cent of the total population of the United States, produced 5.59 per cent of the country's manufactured and mineral products as well as 6.41 per cent of the total crops and of animal products.

Because so considerable a fraction of our territory is semi-arid our greatest primary problem, so far as these regions are concerned, has been that of water. The development and conservation of our water resources has had two very important collateral results—a tremendous impetus to the creation and use of hydro-electric power and the establishment of a scientific system of reforestation for our watersheds.

There is none here who is not in greater or less degree familiar with the plans for the control and development of the Colorado River for the fivefold purpose of water storage for irrigation, reclamation and domestic uses, flood protection of Imperial Valley, power development, desilting, and equating the river's highly variable rate of flow throughout the year. No discussion of the problems of the West would be complete without mention of this, by long odds our biggest and knottiest question. It is not possible to do more than mention it, yet I cannot refrain from here reiterating my long-standing conviction that the Colorado River question will be settled when—and not before—it is taken out of politics.

# American Business Goes on Record

*Resolutions adopted by the Fifteenth Annual Meeting  
of the Chamber of Commerce of the United States*

The fullest measure of our sympathy is extended to the people of the Mississippi valley who are suffering from the greatest flood disaster in the history of the country.

**Mississippi Valley** With sympathy we join our admiration for the courage and the resourcefulness with which these Americans are meeting the unprecedented conditions by which they are surrounded.

To the American Red Cross and other organized agencies which are now meeting the problems of immediate relief we pledge our support and urge upon all of the members, and all of the people of the country, immediate and generous response to the appeal of the President of the United States for funds. These agencies should likewise undertake the solution of the problems of reconstruction which are urgent and which should have the same support from the people.

Together with these immediate problems of relief and reconstruction the country faces the task of attempting to assure the people of the Mississippi valley against further flood disasters. This task presents problems of the greatest magnitude. In solving these the Federal Government should take the leadership and assume the responsibility, with all the appropriate assistance from the regions involved. The President of the United States has moved quickly to mobilize the Government's agencies which have experience and information with respect to the problems of the Mississippi and tributaries, and has placed at the head of the Government's activities in developing the plan the Secretary of Commerce, in whose devotion and ability, and in those of his associates, we have the utmost confidence.

The size of the task which is before the country and the importance of arriving at a program which will assure, so far as is humanly possible, a permanent solution make it appropriate that the President of the United States should enlist the best engineering and economic ability and experience that the country affords to advise him with respect to the larger factors which will necessarily be involved.

The Chamber of Commerce of the United States should have an able committee to consider the suggestions which may be made from all sources, private or official, and make to its Board of Directors any recommendations which it may consider appropriate for Chamber action. Meanwhile, we extend to the people of those affected areas and to all agencies concerned with immediate problems of relief and reconstruction, and the responsibility of planning for the future, the fullest cooperation and the services of all of the Chamber's facilities. It is our hope and belief that when the President's program is developed in such a manner as we have suggested it will

be immediately accepted by Congress and made a subject of legislation directed solely to the protection of the Mississippi valley without complication on account of conditions elsewhere.

The United States Chamber of Commerce, fully recognizing the basic importance of agriculture to the nation and desiring

## Agriculture

to assist in solving the problems of this all-important industry, has given its aid in establishing a commission to survey all of the various phases of our agricultural problems and to prepare a report with recommendations. This commission is known as the Business Men's Commission on Agriculture, and is composed of outstanding business men of all sections of the country under the chairmanship of Mr. Charles Nagel, of St. Louis.

Hearings extending over a period of several months have been held with farmers and producers in various sections of the country. Executives of the departments of the Federal Government have been heard, extended conferences have been held with Secretaries Hoover and Jardine, and with transportation executives, bankers, and distributors. Other authorities on forestation, land settlement, finance, immigration, tariff, education, and communication have been heard. All of this testimony, transcribed, is now being reviewed and digested, and the report should be forthcoming within sixty days.

Other resolutions on agriculture presented at this annual meeting should be considered by the Board of Directors of the Chamber of Commerce of the United States together with the report of the Commission, and there should be no further commitment on agricultural policies until the Commission's report and recommendations are received.

A proper fiscal policy requires that federal revenues and expenditures should substantially balance. Surpluses so large as

## Federal Taxation

those realized by the Federal Government in recent years necessarily mean that there is being

taken from taxpayers more than is necessary to meet the current expenses of the Government.

Retirement of the national debt is proceeding and in an orderly manner through the operation of a sinking fund and a sound policy of devoting to debt retirement the payments received from foreign governments on account of their debts. If more rapid retirement of the national debt should be deemed advisable definite provisions should be made for the amounts and they should be properly budgeted.

In view of the large surplus again accumulating in the Federal Treasury it is timely and appropriate to reaffirm the

earlier declarations of the Chamber that the corporate income tax should be substantially reduced, that the federal estate tax should be repealed and this source of revenue left to the states, and that the remaining war excise taxes on particular business should be abolished for the reason that the inequalities they involve are no longer warranted.

Both sound fiscal policy and equity to taxpayers require a reduction in the tax upon corporations. It is unsound for the Federal Government to rely upon one source for so large a part of its revenue as it is now obtaining from the corporation income tax. The result is that the Government's revenues are necessarily affected by changes in business conditions. The present rates of federal tax upon corporate income are so high that they are inequitable in comparison with the rates upon individuals, unfair as an excessive indirect levy upon the great body of stockholders, and essentially unjust to business transacted in the corporate form, because of the weight of total taxes now accepted by federal, state, and local governments.

The law, rulings, and practices with respect to administration of federal taxes should now receive thorough revision. At

## Tax Administration

every point administration should be systematized and simplified. This reform is necessary in order that taxpayers may be free from uncertainty as to their taxes, delays in obtaining information, and the harassment that now frequently occurs.

Congressional Joint Committee has made provision for an investigation into the administrative features of the internal revenue system. It has created a Joint Committee

and this Joint Committee now has the assistance both of its staff and of other expert ad-

visors. We welcome the creation of this Joint Congressional Committee and express our hope that its opportunity for usefulness in the public interest as well as in the interest of taxpayers may be fully developed. The Chamber urges that business men and their organizations place before the Congressional Committee the defects which they have found in the present law and its administration, and suggestions for improvement.

Increases in state and local taxation have more than offset reductions in federal taxation. Efficiency and economy in state and

local governments are of direct concern to business men and their organizations. Local organizations of business men, because of the business experience in their membership, are



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*Lewis E. Pierson, newly elected president of the United States Chamber of Commerce, distinguished alike as a banker and as a leader in organization work. Mr. Pierson at fifteen entered the service of the Hanover National Bank and at thirty-three was the head of the New York Exchange Bank. Two years later he became president of the Irving National Bank when the two merged. He is now Chairman of the Board of the successor bank, the American Exchange Irving Trust Company. Always interested in the work of the American Bankers' Association, he was elected its president in 1909. He has been vice-president and chairman of the Executive Committee of the Chamber of Commerce of the United States.*

in a position to exercise sound judgment in the solution of their fiscal problems.

Because of the opportunities for usefulness offered by activities in the field of state and local taxation, the National Chamber and its organization members should continue their active interest. In order that the benefits which accrue from cooperation may be realized the organization members are urged to take advantage of the facilities afforded by the National Chamber.

To a number of situations arising under the immigration law there should be immediate attention. We believe that imposition of the head tax upon travelers and tourists causes hardships

which are unnecessary, and advocate amendment of the law to permit entrance into the United States of travelers and tourists who remain for no more than sixty days without the payment of this tax.

Humanitarian considerations cause us to urge that children of American citizens, when the children are between eighteen and twenty-one years of age, the parents of American citizens, when the parents are over fifty-five years of age, and widowed mothers of American citizens, regardless of the age of such mothers, should be admitted to the United States regardless of the quota.

We think it inappropriate to extend the principle of the quota to Mexico and we believe that, for the proper administration of the immigration law, immigration visas

*Judge Edwin B. Parker, the new Chairman of the Board of Directors, born in Missouri, lawyer in Texas, and from America's entrance into the war a servant of the public. He was a member of the War Industries Board, serving as Priorities Commissioner. At the signing of the Armistice he went to Europe as chairman of our Liquidation Commission to dispose of American surplus war materials. He took up again the practice of law, but four years ago came once more to Washington as umpire of the General American Mixed Claims Commission, a post which he has since held. He has long been active in the Chamber of Commerce of the United States as a member of some of its most important committees.*

should be treated as separate and distinct from passport visas in the discussions which may occur with foreign governments respecting passport visas.

We view with grave concern and are opposed to proposals that the Government should enter upon a new program of building merchant ships and

**Merchant Marine Policy** are opposed to Congress placing added restrictions upon the authority of the Shipping Board to dispose of ships to private parties. Such a policy as proposed is against the public interest and national welfare.

The Government has already sold many of the principal trade routes and these are being successfully operated under private



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ownership. Additional shipping services needed for the development of the nation's foreign commerce can also be transferred to and successfully maintained by private enterprise through trade route and mail contracts let whenever possible on a competitive basis.

The explicit statement made before the Transportation session of the Chamber of Commerce of the United States on May 4, 1927, by Chairman O'Connor of the Shipping Board, that the Board does not contemplate the investment of public moneys in new ship construction, and his clear statement at that time that the Board is determined to dispose of all ships and trade routes to private enterprise at any sacrifice, if with reasonable assurance of continued service on those routes, accord with the adopted principles of the Chamber, and at this time it is necessary only to impress upon the Shipping Board the need of energy in placing this shipping in private operation and with such support as is necessary to make private operation effective.

We urge the elimination of all wasteful practices and trade abuses by the formation in each trade of a joint trade relations

**Trade Relations** committee composed of representatives of every branch of trade. Such committees should seek out and define trade abuses and cooperate with the Federal Trade Commission in their elimination.

The work undertaken by the American Law Institute under the auspices of the American Bar Association, looking to a reformation of legal procedure throughout the United States, is endorsed and approved,

and the support of the Chamber of Commerce of the United States should be given to such movement in every effective manner possible.

Experience has definitely demonstrated that the present scale of postal rates is not on a reasonable basis and is resulting in considerable harm to

**Revision of Postal Rates** various users of the mails and therefore to the public in general.

These facts have been brought out at the various hearings before the Post Office Committees of Congress, and the Postal Service Committee of the Chamber has rendered a report which shows clearly that a revision of postal rates should be made as soon as possible.

There has been a more or less generally accepted idea that the receipts from the postal service should fully cover all of the costs of that service. This is contrary to accepted business principles and overlooks the fact that efficiency and adequacy of the service should be the first consideration. It also overlooks the fact that Congress, in its wisdom, has seen fit to use the postal service for carrying out of governmental policies by the granting and extending of "free" or "less than cost" services.

In the making of postal rates, applicable to purely commercial business, the following elements should be fully considered:

First, the cost to the Post Office Department of the handling of "free" or "less than cost" matter; second, the rates should be so made as to encourage the further use of the postal service and thus reduce the units of overhead expense; third, the rates should be made on the different classes with due regard to the character and value of the service and the conditions under which it is performed in the same manner as rates are determined by the Interstate Commerce Commission for the transportation of freight and express.

The net cost of these governmental policy services should be charged to the general Treasury in the same manner as the cost of services of the other governmental departments, and thus eliminate from one of the biggest businesses in the world the present unfair and discriminatory method of making the users of commercial mail pay for governmental policy services. If such an adjustment of rates had been made and proper accounting rendered for governmental policy services, the last annual report of the Postmaster General would not have shown a deficit.

Street and highway traffic continue to present problems of great importance to business and the public. Accidents are still

**Street and Highway Safety** on the increase. Tremendous annual losses continue from congestion, delays and other causes arising from in-

adequacy of traffic facilities. Unceasing vigor should be applied to remedy the situation. The comprehensive program of principles developed by the National Conference on Street and Highway Safety, representing the consensus of the best opinion, should have the active support of all. The several state legislatures should bring about nation-wide uniformity in traffic laws. State and municipal authorities should make the traffic laws effective by carefully developed supplementary regulations and vigorous, even-handed enforcement. Commercial organizations should support uniform legislation, encourage enforcement, and exercise leadership in citizen cooperation with the public authorities in working out the solutions of their local traffic problems.

Insurance, being a method of distribution of individual economic loss and indispensable to commerce and industry as well

**Insurance Supervision and Regulation** as to the people generally, is a proper subject of state legislation and regulation. The state is concerned, in

the public interest, with the maintenance of the solvency of the insurer as well as with the observance of the broad principles under which equitable treatment may be obtained by all users of insurance.

Effective state regulation demands competent and adequately compensated officials conversant with insurance principles. These state officials should, at public expense, co-operate with the like officials of other states to bring about desirable uniformity in legislation, taxation, solvency tests, rating systems, classifications of standards, uniformity of returns, licenses and investments.

Rates for insurance should be predicated

upon systems of charges for unfavorable elements and credits for favorable elements or conditions to the end that such rates may be uniform and non-discriminatory as between risks of the same hazard, and co-insurance, or average distribution, should be permitted. To this end uniformly established systems of risk measurement applied through rating bureaus or other expert bodies are essential.

The principle of reciprocity between the states is advocated to the end that investments shall be determined by the quality of the security regardless of the situs, that taxes may be fair and levied directly without regard to local investment requirements, departmental charges adjusted to cover the cost of the service rendered, and insurers be enabled to obtain from authorized companies in any state the coverage which their individual necessities require.

We favor granting the President of the United States authority to centralize, at his discretion, all public health activities

**Federal Health Activities** the Federal Government, exclusive of those relating to the Army, Navy and Veterans' Bureau. The agency

charged by the President with responsibility of supervising these activities should be empowered to delegate experts to various governmental departments, to universities, or general research organizations looking toward the improvement of public health.

The construction of important bridges causes financial problems in connection with improvement of highways. Whenever after careful survey it is found to be necessary to meet these problems

**Highway Bridges** by permitting the erection of toll bridges, authority to build and operate such bridges should be granted only upon definite conditions. These conditions should include a requirement that construction and operation will be under the control of appropriate public agencies with a duty to see that the public interest is in all ways safeguarded and a provision that the right to collect tolls shall cease after there has been opportunity to obtain a reasonable return.

The Resolutions Committee has received under the rules proposals for resolutions on a number of other subjects. These subjects belong in a variety of

**Other Resolutions** fields. Upon some of them it may eventually be very appropriate for the Chamber to take a position. As yet, however, the committee believes that the situation with respect to each of these subjects should be more fully developed, in order that any decision of the Chamber may in fact represent a general point of view and interest on the part of the membership. The committee accordingly recommends that the annual meeting should refer each of these subjects to the Board of Directors, for such further action in the form of investigation and study as the board may in each instance consider is appropriate.

# Looking at Tomorrow's Business

The nine chairmen who presided at the Group Meetings came before the last general session of the Annual Meeting to report from those groups and to give a look ahead at the nine major divisions of American industry. Here in brief, are their views:

## Agriculture

By DWIGHT B. HEARD

President, Dwight B. Heard Investment Co., Phoenix, Arizona

DURING the past year there have been manifest improvements in the agricultural situation. The drift to tenantry is not as rapid as it was. Prices on certain agricultural products during the past year have shown a decided improvement notably wool, hogs, butter and potatoes. Improved government credit facilities are still being extended to the farmers and plans are under way for extending production credit at reduced rates of interest. Improved farm machinery, particularly that motor-driven, is helping to solve the farm labor problem.

Range conditions have improved and the creation of ten-year livestock permits on the national forests has helped to stabilize the livestock industry. Standardization of farm products is being developed. The pure seed movement is growing. Better breeding is being practiced among livestock men. Crop diversification is becoming more of a national practice. Increase in bonded warehouses has resulted in the increased use of intermediate credit banks and the cooperative marketing movement is gaining in efficiency and business standards all of which helps to stabilize this great industry.

### Getting After the Facts

FOR THE past year this Chamber has made a determined effort to ascertain facts on which to base constructive suggestions for a sound economic policy of real benefit to the farming group. In a series of regional conferences we have gone directly into the farming and livestock producing districts to obtain comprehensive regional viewpoints realizing that these viewpoints are essential to offer constructive suggestions intelligently for improved conditions.

Last fall the United States Chamber joined with the National Industrial Conference Board in setting up an impartial and independent commission of business men for the careful study of our agricultural problems. This Commission under the able leadership of Charles Nagel, former Secretary of Commerce, has been carrying on extensive hearings throughout the country.

The membership of this Chamber is showing an increased interest in this big national problem. They are not only alert in fact-finding work, but are aroused to the need of working in a spirit of service and cooperation with agriculture. The importance, intricacy and wide variations in the problems involved are immense. The farmer is entitled to an equal chance for success in life compared to that offered to

men in other industry. Fortunately, he has an increased understanding of the value of organization. It is equally fortunate that organized industry recognizes that it can have no permanent prosperity until the 28 million people still living on our farms are able to secure materially greater returns on their investments of capital and labor.

This Chamber proposes to continue determinedly its research work on which to base a plan of action. With an aroused public opinion and improved understanding between agriculture and organized business there should be a far better day ahead for agriculture. As a result of the effective fact-finding work under way I hope that at an early date this Chamber may formulate a positive policy on agriculture, a policy so practical, constructive and well founded on fact as to command the respect of the nation and so just and unselfish as to convince American farmers of the friendship and cooperation of American business.

## Civic Development

By CHARLES W. LONSDALE

President, Simonds-Shields-Lonsdale Grain Co., Kansas City, Mo.

IN THE WIDE range of subjects covered by the Civic Development Department City Building in the New Business Era seemed the one that illustrates most effectively the new era upon which America is entering and the part that business now takes and, in the future must take, both for its own sake—because the city is the plant in which business is carried on, and for the sake of the community as a whole.

During the past few years America has changed from a country predominantly rural to a country predominantly urban. More than half of our total population now live in cities and towns. Each year the proportion of urban population grows. It has been estimated that when we have 150,000,000 people in this country—which will probably be about 1950 or '60, thirty or forty years from now—67.9 per cent or 101,850,000 will be living in cities and towns.

### Concern for City Building

THIS change in the character of our population from rural to urban is compelling us to give increased attention to the way in which we build our cities. Two generations ago it was a common saying that the average city family lasted only three generations. We were concerned about this because it involved so much waste. But it did not appeal to us as a national problem because we seemed to have an inexhaustible supply of country people to draw upon to fill up the gaps. Today it is different, this resource like some of our natural resources has been drawn upon until we can begin to see its limits.

Because of the waste in killing off city families, because they objected to being

killed off, we have made great improvements in our cities. We have controlled in great measure the epidemics that used to ravage them—smallpox and yellow fever have ceased to be words of terror. We have secured pure water—and so again diminished disease. We have built sewer systems—and so again diminished disease. We have enacted building codes and housing codes—and so again diminished disease.

### Cities Have Lower Death Rate

CONSEQUENTLY the city dweller to day has a lower death rate than has the country dweller, city families last more than three generations.

But now that our urban population has become the majority element in our total population we are waking up to the fact that it is not enough to keep it alive. Since it has become, and in the future will be increasingly the controlling element in the country, it is essential for the national well-being that it shall be virile, sane, capable of self-control.

At the same time the growth of our cities, the tremendous concentration of population in crowded dwellings near their centers, the widespread suburbs that prevent easy access by the downtown population to the open-country—the resentment of suburbanites and farmers when town dwellers invade their woods and fields, has given us new problems.

## Distribution

By ROBERT R. ELLIS

President, Hessig-Ellis Drug Co., Memphis, Tenn.

DISTRIBUTION in this country is much more intricate than in any other; first, because of the greater expanse of territory and second, because of the more exacting demands of the consumer caused by our higher standards of living.

After our Domestic Distribution Department was established, studies were made to determine the best methods of coordinating the work in such a way as to be of the greatest benefit to our members; and that we might have the benefit of their advice it was decided to call a conference of the distributors of the entire country. This was held in January, 1925, with the result that committees were appointed to study various phases of distribution with subcommittees of each to make more detailed studies. These committees and subcommittees met many times during the year following and at a second general conference held in December, 1925, six reports were presented and were adopted.

One of the things ahead for business is to know itself—to find out where it stands—in order to know more certainly what is ahead of it. Studies such as I have mentioned are an evidence that business is awake not only to its present needs but to the safeguards which it must adopt for the future. It must have better trade relations—better relations between merchants who buy of and sell to each other. Bad

practices such as cancellations of orders accepted in good faith; demands for cash discount after the discount period has elapsed; misrepresentations and substitutions of merchandise and other causes of unnecessary disputes which result in expensive wastes, not only ought to be abandoned but made impossible. This is another job which is ahead for business. Like the census of distribution, this subject is the direct outcome of the National Distribution Conference.

We lack so many figures which are necessary to an unqualified statement of "What's Ahead for Business?" that I offer my opinion with some hesitation. From past experience it appears not unlikely that we are facing some relaxation in consumer demand which will require attention on the part of every distributor and suggests the advisability of conservative policies. Speculative buying never has recommended itself much to wise merchants and today does not appear to be justified, if ever it has been.

Every sign points to normal conditions which means that we need not expect either a boom or a collapse.

## Finance

By FELIX M. McWHIRTER

President, Peoples State Bank, Indianapolis, Indiana

IN THIS new era, when odium may no longer attach to the words "capitalism" or "capitalist," since the opportunity and even the duty to become a capitalist is being presented to the average man, our banks and our investment houses and our exchanges, as is true in industry and commerce, are facing new problems, new penalties for inefficiency, new premiums for improved practices.

In sections of the country conditions have led to the conclusion that in some places there are too many banks or too few bankers. Emphasis is being placed upon sound management, upon the necessity for self-regulation of banks. The same problems faced by industry, mounting costs of doing business, increasing efficiency, larger volume, more able management, are engaging attentions of thoughtful financial men. While there has been an enormous development in the agencies of finance, their growth in the main appears to have been sound. While it reflects confidence and prosperity, this development is in itself contributory to advancement.

### One More Reduction

AS TO taxation, we may expect one more reduction of federal taxation and by then we shall have about reached our normal stride. This body should enunciate its firm conviction that tax collections from whatever source and by whatever method should balance expenditures, and create no surplus.

State and local taxation and budgeting are receiving more and more consideration—and rightly. Expenditures in our states and the smaller political sub-divisions have mounted and mounted. Within this Chamber a study has been proceeding. There is so much to be accomplished and it is hoped

that you all in your respective communities may contribute to your mutual advantage by having your organizations definitely function in reference to state and local budgeting and taxation. Interchange of experience and study accomplishes economy of time and effort and increases enduring results.

It has not been my purpose to do other than merely attract your thought to some of the questions which have occupied the time and effort of the Finance Department.

In addition to that which has been mentioned, business is to be congratulated that under the auspices of the Chamber for a number of months there has been quietly proceeding a broad study of the banking and credit machinery of the country, with special attention to the operations of the Federal Reserve System in normal times.

### We Are Back to Normal Now

WE NEED to differentiate between the operations of the country's credit mechanism in the more normal conditions of the past few years as contrasted with the emergency conditions of the previous eight years. We need to develop broad and sound conclusions as to the permanence of various functions of the Federal Reserve System and to promote public understanding of our present financial equipment in the light of the new economic situation of the country. We need to distinguish between what is of value in an emergency and what may be considered necessary for normal operations. We must establish the permanency of indispensable functions. How better than by evaluating our banking and credit structure in the light of the country's peace-time requirements?

## Foreign Commerce

By HENRY D. SHARPE

President, Brown & Sharpe Manufacturing Co., Providence, R. I.

INTERNATIONAL commerce obviously from its very nature is peculiarly subject to the acts of governments, and in looking at what's ahead for the foreign commerce of the United States it is essential to point out the importance of wise and far-sighted policy on the part of our Government in dealing with foreign governments. Our Government must be firm and prompt in assuring the protection of the lives and legitimate property interests of our citizens in foreign countries. And at the same time our Government must respect the clear rights of foreign governments and show as much consideration for the interests of foreign business interests as we expect to have shown to our interests by foreign governments.

In some quarters in this country there seems to be a disposition to urge our Government to protect every action of foreign governments that bears heavily on our trade interests, and at the same time to turn a deaf ear to every complaint from abroad as to the action of our own Government in like cases. Clearly such a policy will not work. If we would have a satisfactory parcel post service for shipments to Cuba, we must be prepared to allow Cuba to use the parcel post for return shipments.

International commercial policy is a delicate and sensitive brand of government. It is hard to lay down fixed rules. The recent improvement of the Foreign Service of the United States, including the Diplomatic and Consular Services, and in the Foreign Commerce Service of the Department of Commerce, is probably as effective a step as any taken by our government in preparing for sound trade relations in the future.

### Our Growing, Changing Export Trade

OUR EXPORT trade is growing, and changing. We are still one of the world's great sources of supply for raw materials and for foodstuffs. But in some of the foodstuff lines and in some of the raw material lines there are new sources of supply that are coming forward. In fresh and dried fruits, and canned and prepared food specialties we are assuming a new place in world trade, but in the meats and staple cereals and some of the other foodstuff lines we need not be surprised to see some further recessions in our export trade.

Among the raw materials we are already seeing some great new foreign producers of metallic and non-metallic minerals coming to the fore.

Not so many years ago when raw cotton was mentioned it meant United States cotton. Today, however, cotton culture is being fostered and is advancing in many other regions. Cotton is still king, and by a large margin, among our exports, but it is not unlikely that our cotton will be of relatively less importance in world markets and in our own export ledger in the future than in the past.

So far as our exports are concerned, the most striking recent development has been the increase in our exports of manufactures. In 1926 our finished manufactures represented nearly two billion dollars out of total exports of about four and three-fourths billions—or 41½ per cent of the total. Semi-manufactures and slightly manufactured articles accounted for 13.9 per cent of the total, and manufactured foodstuffs 10.7 per cent of the total. Our exports of crude materials were only 26.8 per cent of the total and our exports of crude foodstuffs only 7.1 per cent of the total.

In the Foreign Commerce Department of the Chamber we have record of our three thousand five hundred American manufacturers that are actively spending time and money for export business. And the number is increasing.

On the import side of the foreign trade ledger we are also seeing interesting new developments: We are seeing the United States comb the markets of the world for raw materials for our industries and for tropical foodstuffs. We are seeing record imports of rubber, of asbestos, of vegetable oils, of wood pulp, of fertilizers, of bananas, coffee, and cocoa. We are seeing one after another of American industries more consciously dependent on imported materials.

And then there are the manufactured imports. We have the wealthiest, most curious, most insistent big market in the world. Foreigners sometimes complain of our tariff. Yet despite the tariff, we see one foreign novelty after another come into our market in quantity. The Ameri-



## *—for helpful counsel*

Solid knowledge of investment conditions throughout the world—close familiarity with bonds of all types—daily experience in meeting the needs of thousands of investors—all these are back of National City advice on bond investments. Representatives at any office listed below will gladly help you select good bonds for your available funds or advise you on your present investment holdings.

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*Officers:* Albany, Atlanta, Atlantic City, Baltimore, Boston, Buffalo, Chicago, Cincinnati, Cleveland, Dallas, Davenport, Denver, Detroit, Hartford, Houston, Indianapolis, Jacksonville, Kansas City, Los Angeles, Louisville, Memphis, Miami, Milwaukee, Minneapolis, Newark, New Orleans, Oakland, Omaha, Philadelphia, Pittsburgh, Portland, Me., Portland, Ore., Providence, Rochester, St. Louis, Saint Paul, San Diego, San Francisco, Scranton, Seattle, Toledo, Washington, Wilkes-Barre, Montreal, Toronto, London, Amsterdam, Copenhagen, Geneva, Tokio, Shanghai



# Facts



*Facts are valuable, and a lot of time is spent in finding them. A great deal of time is sometimes taken as an indication that facts are not valuable. This is often an incorrect. When facts have once been determined, they are valuable.*

THE true value of facts lies in the use to which they can be put. They are more valuable if they can be easily and quickly found because they may be put to use when wanted.

That is one of the great values of Kardex. It gives facts instantly. It charts the course of action for the busy executive. It reduces the amount of unproductive time spent in searching for facts.

The salesmanager can quickly determine whether his salesmen are conscientiously covering their territories. He can instantly see if old customers are reordering in expected proportions. He can visualize past performance and base future policies on those figures.

The purchasing executive knows at all times the needs of his organization. He can so plan his purchases as to take advantage of periodical price fluctuations. He can save through quantity purchases. He can avoid overbuying and overstocking, which results in inactive capital, by the use of a Kardex Stock and Perpetual Inventory system.

# KARD

Rand Kardex Service,

THE DIVISION OF RAND CORPORATION

# how much do they cost you ?

at in finding them. Yet the time it takes to  
on of their value. This valuation is usually  
ermined, they should be easily found again.

The credit manager can keep collections speeded up and eliminate delinquencies with a Kardex Credit and Collection record. He can know at all times and at any time just which customers are behind in their accounts, and can, without a long and detailed analysis, determine the major cause of such delinquencies and correct them.

In every department of every business, Kardex will lend a helping hand to executive ability. Probably the greatest thing in favor of Kardex is its use in the saving of executive time. Getting facts is but the matter of a moment with Kardex. It eliminates the necessity for an executive doing the petty details that can be automatically taken care of in Kardex.

The Kardex Man has an interesting story to tell you. He will take just as much time as you give him. But what he tells you will be to your advantage. Or write for a copy of the new 52-page book "The Age of Vision in Business Affairs," which will be sent to you without cost.

# KARDEX

Tonawanda, New York

EMINGTON RAND

can people want the new and interesting products of foreign countries and seem willing to pay the bill for them, even when the bill carries a good stiff tax.

We are living in a fast-moving world. In these days of rapid communication, rapid transportation, portable power and labor-saving machines, the pioneering processes are speeded up infinitely over the slow, plodding experiences of our own pioneering days. Today when we look at a vast undeveloped area it presents very different possibilities from those of even a generation ago.

## Insurance

By JAMES S. KEMPER

Pres. Lumberman's Mutual Casualty Co.,  
San Francisco

THE INSTITUTION of insurance reflects in its development the progress of other business. When sales are good, and prices satisfactory, the insurance volume keeps pace. When business is retarded the insurance volume immediately recedes.

There is too the important factor of individual interest in preventing loss. On the upgrade of the business cycle the property owner making substantial profits views with concern the possibility of interruption of business through loss by fire or other disaster. With trade conditions unfavorable there is less incentive to guard against catastrophe so that insurance results are affected adversely not only in volume of business done but in percentage of cost.

The experience of insurance companies further reflects general business conditions through the investment situation. In late years in particular many companies have had to look to their so-called banking or investment division for their earnings.

You will realize, therefore, that a composite of the cross section of business conditions that you are having this morning will represent very nearly the results insurance will achieve this coming year.

### Educating Policyholders

PROBABLY the outstanding feature of present day insurance is the increasing interest of insurance companies in policyholder education. In the life field tremendous strides have been made in health conservation and in increasing the span of life. Statistics recently compiled by one company showed an increased longevity of approximately nine years in the last fifteen years. In fire and casualty fields there has been a similar development through exhaustive studies and constant attention by company engineers striving to reduce loss costs and conserve man power and property.

Two resolutions from our Insurance Group Meetings will, I hope, come before you today. One deals with a desirable adjustment of Federal Public Health Service. The other, if generally followed, would enable insurance to meet the needs of commerce without some of the handicaps now imposed.

Life companies now protect human values to the extent of eighty-five billion dollars. Fire companies protect property

of a value of two hundred billion dollars. Casualty companies protect millions of workmen and general business in many other lines. The development of new kinds of insurance to meet the requirements of business has brought the companies increased volume with increased opportunity for service. The automobile field has had a most remarkable growth. Instalment buying, which for good or evil is with us, has brought increased demands for insurance.

### Value of Chamber Service

CHAMBER members are increasingly taking advantage of the Chamber's insurance department services. The constant and heavy flow of inquiries over the manager's desk indicates the value of the service to the underlying membership. This is further evidenced by the increasing insurance buyer interest in and attendance at our Insurance Group Meetings.

There has also been a most active interest on the part of local chambers and trade associations in the loss prevention aspects of insurance. You business men, delegates to this annual meeting of the National Chamber, can assist in the great work of life and property conservation by urging your local chambers actively to support the Chamber's Insurance Department Committee. Every chamber of commerce and trade association should have insurance and conservation committees.

Speaking generally, insurance approaches the coming year with confidence as to volume of business and larger opportunity for service. With a stable investment situation, the year should produce satisfactory results.

## Manufacture

By A. J. BROSSEAU

President, Mack Trucks, Inc., New York

SPEAKING for the Department of Manufacture, I will say that business is good, and promises to continue so. Inasmuch as the prosperity of the manufacturer depends upon the general well-being of all other lines of business, and a balanced general situation, it may be well to call your attention to the factors that are being considered by manufacturers.

We realize that the problems of agriculture and of the producers of raw materials in the Department of Natural Resources are different from ours, and that some of the factors involved may be dissimilar, but we believe you will be interested in what we are doing, and it may be that in what we are doing you will find something that may be helpful.

Discussion of the Department of Manufacture was directed to the topic in the elimination of waste, both material and human, and the benefits that come to everybody from increased efficiency, and lowered unit costs, to the end that the products of manufacture may find a wide distribution.

Stated simply, it is this: If the individual worker is equipped with proper machinery and has proper conditions for work, with the incentive to increase his income, his output will be greater and the result will be more goods for distribution, more money to buy those goods, and the nation will enjoy a wider and broader prosperity.

Mr. Rice, assistant to the president of General Motors, told us in no uncertain terms that:

"High production is the forerunner and not the result of high wages; that prosperity is an effect rather than a cause. High wages may mean greater purchasing power, but that is merely saying, in another way, that high wages indicate a prosperity which can only exist with high production, for real wages are merely stated in terms of money for convenience of exchange, and every return, whether it is called interest, profits or wages, must come, in the long run, out of production, and that cannot exceed production."

Mr. Rice called attention to the unusual situation in which we have lately found ourselves and which is puzzling the economists of the land.

"A fall in prices has brought a rise in real wages, accompanied by a high level of profits. This has come about by lower costs, or, in other words, a higher individual production."

Mr. Rice also said:

### Production Must Not Drop

"THERE can be no quarrel with the shorter day or the shorter week without reduction in the wage, providing, always, the unit cost does not increase. The recent increase of wages to railroad employees, which must be paid for by a contribution in the same amount from every one of the rest of us, may be a good thing or a bad thing. It will be a good thing if, in return for higher standards of living, the individual worker will increase his individual producing power. There is no other way."

Tinkers with economic law may give temporary help, but in the long run, management and men must accept this principle.

This, then, is the message from the Department of Manufacture group, a desire to do away with every possible form of waste, whether it be in financing, in management, in shipping, or in production. More goods will result in higher standards of living and higher standards of living will result in a greater incentive to produce more and more of those goods."

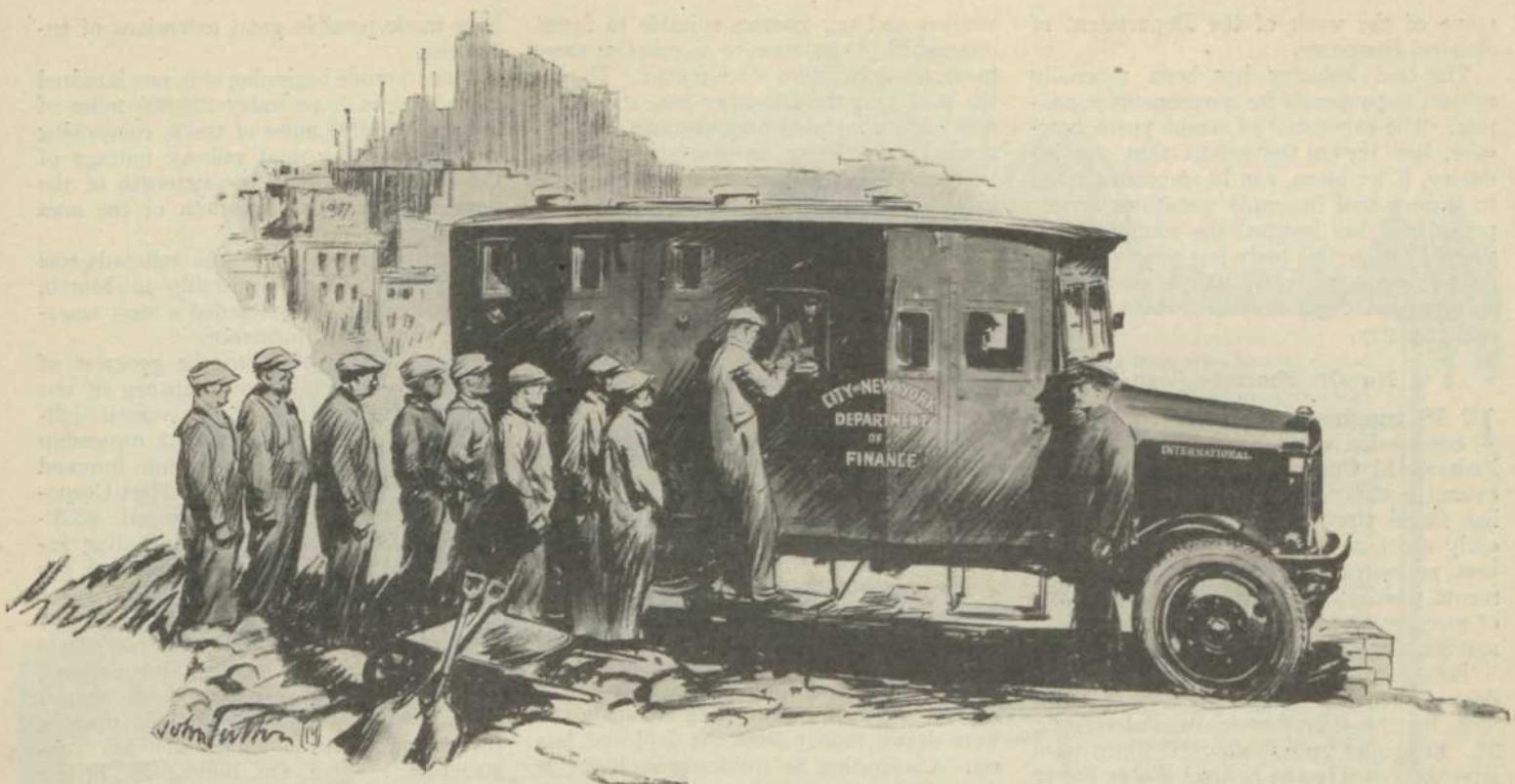
Mr. Morey, general manager of the Commonwealth Steel Company, came to the same conclusion, but by a different route. He announces what to some may be a new economic law, that the consuming power of the world is equal to its creative power. That law, some believe, has proved itself in America.

## Natural Resources

By MILTON E. MARCUSE

President, Bedford Pulp & Paper Co.,  
Richmond, Va.

OUR INDUSTRIES that furnish us with power, coal, petroleum, hydro-electric power are peculiarly subject to legislative attack. The National Chamber, as you know, stands for the principle of self-government in industry and business, believing that if we are to progress in our industrial development human ingenuity and energy must be encouraged by affording the highest opportunity for individual initiative. This principle is the corner-



## Making New York's payroll safe and certain

WHEN it's pay day in New York, and that is every day somewhere in the five boroughs, these armored International Trucks carry the coin and currency—millions for the city's employees but not one cent for bandits.

The bodies of these trucks are armored with bullet-proof steel and the windshields and windows are made of bullet-proof glass. A complete description reads like the specifications of a battle-cruiser.



176 International have been purchased by Brinks Express whose cargoes amount to nearly fifty billions of dollars in actual worth a year.



The Armored Service Corporation of Brooklyn have used armored International Trucks since 1923, in their extensive business.

Not only safe trucks—but dependable trucks are needed on a job like this and New York City uses International Trucks for this work and uses them also in every type of municipal hauling.

Internationals will do the same good job in your business. Drop in at any International company-owned service station (there are now 136 in the United States) or write us for literature and a list of firms in your line who are using International Trucks for low-cost hauling—and getting it.

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stone of the work of the Department of Natural Resources.

The coal industry has been especially subject to proposals for government regulation. The experience of recent years, however, has shown the public that the industry, if let alone, can be depended upon to furnish coal in ample quantities at fair prices, and has justified the confidence reposed in it by this body last year when we by resolution reiterated our opposition to Government regulation or control of the coal industry.

#### No Oil Shortage Seen

IT IS encouraging to note also that a commission of government officials, the Federal Oil Conservation Board, after an extensive study of the petroleum situation has found that there is no danger of an early shortage of petroleum, and that the best measures of accomplishing improvements which will greatly prolong the life of reserves are through the resourcefulness and initiative of the industry itself.

Taking up the hydro-electric power industry, some of its problems were dealt with by the Chamber in its Referendum 24. Principles were established which were later embodied in the Federal Water Power Act which created the Federal Power Commission. Under the law opportunity was given private initiative to act, and development has been rapid. Unfortunately there has been a disposition on the part of Congress to disregard the act in dealing with some of our larger projects, such as Muscle Shoals and Boulder Canyon, and a tendency to inject the government into the production and distribution of hydro-electric power. Private initiative and energy have brought us to our present high state in the development of this important industry and no one can consider with composure the prospect of government entering this field.

Closely allied with the subject of hydro-electric development is the problem of the development and control of our water resources for navigation, drainage, reclamation, irrigation, and flood control.

The present Mississippi Valley catastrophe brings this vividly to our minds. Such conditions are preventable and it is incumbent upon us to take steps to insure against repetitions. This is the unanimous conclusion of the Natural Resources Group and I request your serious and favorable consideration of the resolution which will be submitted later on.

Our forest resources have been dealt with by the Chamber in a referendum which established a constructive policy for maintaining ample timber supplies to meet the nation's future needs. Forests fortunately constitute one of our renewable resources and the nation is possessed of such extensive areas suitable primarily for tree growing that the nation should not suffer for lack of wood products if our citizens can be induced to undertake the growing of trees as a business and if this undertaking can be begun without delay.

Commercial forestry, the term applied to the business of growing crops of trees, will not be possible, however, until the public appreciates and discharges its responsibility to afford proper measures of forest fire pre-

vention and tax systems suitable to forest ownership. Legislation to accomplish these measures is largely a state matter. During the past year the Chamber has, at the request of its member organizations, assisted them in securing in several states constitutional amendments making possible equitable methods of forest taxation.

The next step in our program to put Commercial Forestry on a sound basis is a business men's conference on Commercial Forestry, its possibilities, obstacles, and accomplishments, which the Chamber will hold October 18, 19, and 20. An outstanding feature of this conference will be accomplishments in commercial forestry to date and we are now engaged in a nationwide survey to gather these figures. Our features will be taxation, the value of research, fire prevention with especial attention to examining the possibilities of timber insurance.

The Natural Resources as they concern human affairs have assumed a new and increasingly important rôle in our modern industrial era. Prior to the mechanical age civilization rested upon pursuits that were mainly agricultural; and raw materials were drawn mostly from the field and forest. Civilization as we know it today is dependent, however, upon many raw materials entirely new to human experience.

The resources which supply our mechanical power have furnished the impetus and acceleration to industrial processes which in turn have raised other resources to high levels of importance in modern civilization.

It is perhaps unavoidable that industries dealing in commodities of such transcendent importance should be the objects of special public concern.

For this reason it is highly important that these industries demonstrate their ability to govern themselves in the public interest. The National Chamber through the Natural Resources Department pledges itself to continue effort to aid these industries in developing solidarity and in discharging this responsibility.

## Transportation and Communication

BY WILLIAM J. DEAN  
President, Nicols, Dean and Gregg,  
St. Paul, Minn.

TRANSPORTATION is the blood stream and Communication the nerve system of Organized Business which now ministers to the material need of 118,000,000 of people in this country.

In no direction has progress demonstrated a larger practical usefulness than in the fields of Transportation and Communication. Here expansion has been wonderful; not only as to new discoveries and inventions, but also in the improvement and speeding up of the more familiar agencies such as the ocean liner, Diesel freight ships, hard-surfaced highways, motor transport, low-cost long-distance telephone facilities, high-speed cables, and finally the most efficient railway freight and passenger service in history. All these elements have quickened the processes of Commerce. They have increased the output of labor. They

have made possible great extensions of enterprise.

From a crude beginning only one hundred years ago we have today 250,000 miles of line and 400,000 miles of track, comprising one-third of the total railway mileage of the world; with only one-sixteenth of the population and one-twentieth of the area of the earth.

Since the operation of the railroads was restored to private ownership in March, 1920, there has been recorded a most amazing chapter of performance.

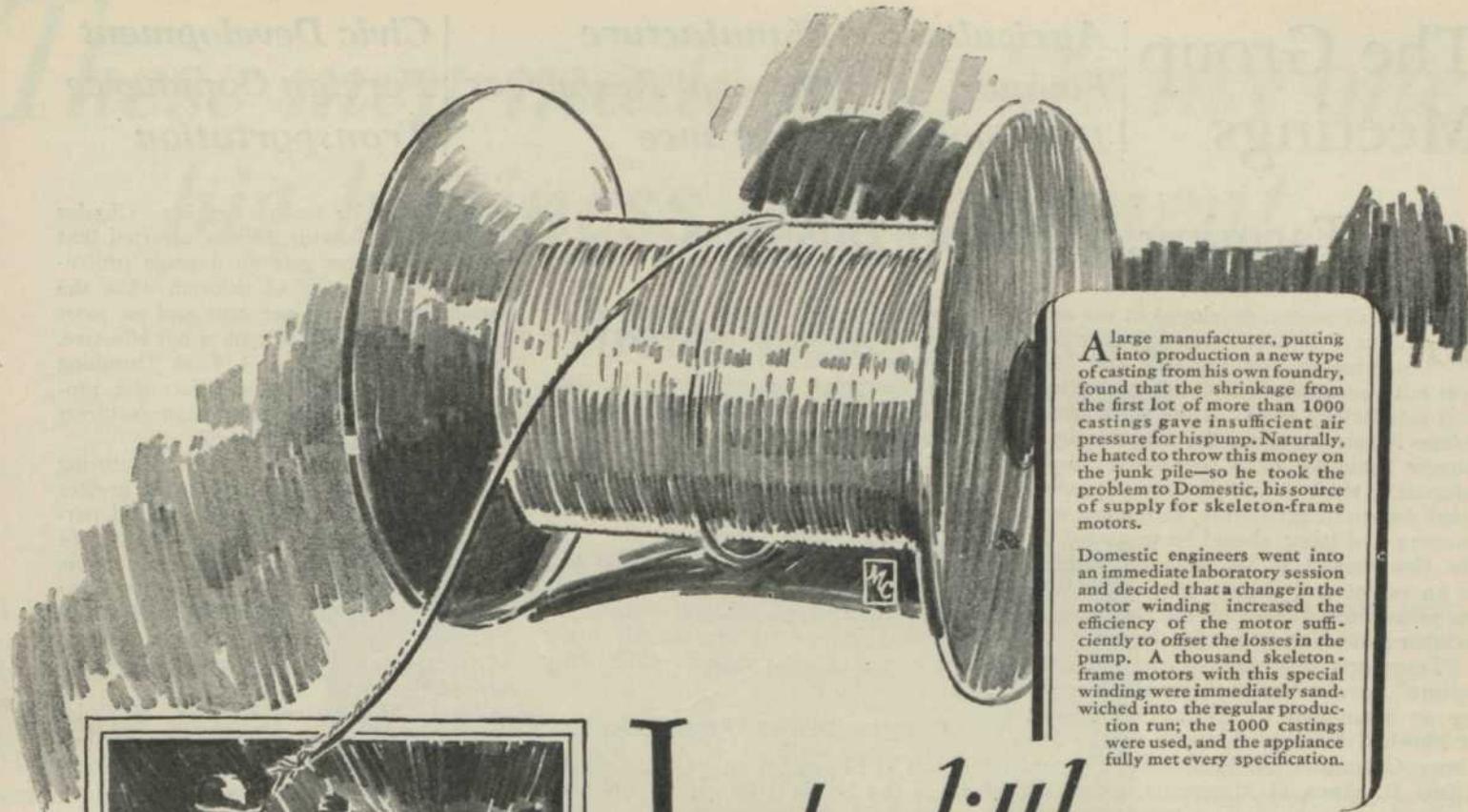
In marked contrast to the progress of the railroads is the recent history of our merchant marine with the continual difficulties inherent in government ownership and with its enormous expense imposed upon the taxpayers. Losses in Fleet Corporation operation have aggregated \$233,000,000 since 1921 without including interest or depreciation. Some progress has been made in this period by the transfer to private ownership of certain lines and services. Recently, however, active efforts in this direction have been discontinued, and proposals are even being put forward to have the government embark upon a further program of merchant ship construction. These are indications of an unsound policy against which we protest.

#### Private Ownership of Fleet

WE strongly advocate the maintenance under the American flag of the shipping services which are of such great value to the expansion of our foreign commerce, but we believe this should be done not by extending and perpetuating government ownership and operation but by measures which will establish our merchant fleet on a permanent basis of private ownership.

It is gratifying to note the strides that are being taken by our new infant industry—air transportation. With aid from the government only in the form of contract air mail routes, our pioneers of commercial aviation are covering this country with a network of lines. This is the American method, which is based upon the restless spirit of individual enterprise constantly leading on to better things. And not least in importance is the fact—which I mention because it shows a sound tendency of the responsible authorities—that within a few weeks the transcontinental line, originally established by the Government, is to be transferred to private companies who have demonstrated their ability through other operations. When finally the public awakes to its advantages, is it too much to assume that we shall have between all parts of the country the speedy communication which air transportation, in proper coordination with the rail and motor lines, offers not only for mail and express but also for passenger service?

It is impossible for me in these brief remarks to outline the great development which the future holds for highway transportation. This industry is in its youth and, if its future copies fair its past, the public will benefit to an untold degree by the quickened service which it offers—by its marvelous substitution of the machine for the effort of man and beast. This service depends upon the sound continuance of a progressive highway program.



A large manufacturer, putting *it* into production a new type of casting from his own foundry, found that the shrinkage from the first lot of more than 1000 castings gave insufficient air pressure for his pump. Naturally, he hated to throw this money on the junk pile—so he took the problem to Domestic, his source of supply for skeleton-frame motors.

Domestic engineers went into an immediate laboratory session and decided that a change in the motor winding increased the efficiency of the motor sufficiently to offset the losses in the pump. A thousand skeleton-frame motors with this special winding were immediately sandwiched into the regular production run; the 1000 castings were used, and the appliance fully met every specification.

# Just a little Spool of Wire

---but it saved a thousand castings

Domestic Electric is more than a builder of special motors for power

driven appliances. It is a service organization, dedicated to the perfect application and satisfactory operation of fractional horsepower in a wide range of household, commercial and industrial fields. In their contact with the Domestic Electric Company, customers use our engineering and sales organizations as a department of their own business, to

be freely consulted on any problem involving the manufacture or marketing of electric appliances requiring less than one horsepower. From those not familiar with the many exceptional features of this service we ask only an opportunity to demonstrate how Domestic Electric functions in developing special motors for specific service requirements. An inquiry will at once place you in touch with principals in this organization.



For protection from overload—the Domestic Automatic Safety Switch

THE DOMESTIC ELECTRIC COMPANY  
7209-25 St. Clair Avenue  
CLEVELAND, OHIO

**Domestic**  
"INDUSTRY'S BIGGEST LITTLE THING!"  
**Electric Motors**  
FRACTIONAL HORSEPOWER

# The Group Meetings

<i>Agriculture</i>	<i>Manufacture</i>	<i>Civic Development</i>
<i>Finance</i>	<i>Natural Resources</i>	<i>Foreign Commerce</i>
<i>Distribution</i>	<i>Insurance</i>	<i>Transportation</i>

## Farming, a Sound Business

LIKELY discussion developed in the agricultural section meeting over the question of how industry and business can best assist in restoring agriculture to a satisfactory basis. After three hours' debate it culminated in the adoption by a narrow majority of a resolution to be referred to the board of directors, declaring "that American agriculture, in common with industry and labor, should be protected by the Government in its domestic markets to an extent and degree comparable with the protection afforded by the Government to labor and industry in other lines."

"Teamwork between business and agriculture" was the central theme of the meeting as announced by Dwight B. Heard, of Phoenix, Arizona, chairman of the Advisory Committee to Agricultural Service. Alfred H. Stone, of Mississippi, scheduled as the chief speaker, sent a letter of regret explaining his absence by the fact that his plantation near Greenville was then under four to eight feet of water. Judge John D. Miller, president of the National Milk Producers Federation, told of the progress that has been made in cooperative marketing, particularly in the matter of changing public opposition into public approval and support in the short space of eight years.

### Sectional Findings Out Soon

E. M. HERR, vice-president of the Westinghouse Electric Manufacturing Company, New York, and a member of the Business Men's Commission on Agriculture appointed jointly by the United States Chamber of Commerce and the National Industrial Conference Board, reported that the commission has finished its hearings in various sections of the country and expects to publish its findings this summer.

Mr. Herr also referred to the rapid progress the electrical industry is now making in reaching out into the country to put electric current at the disposal of the farmer, and intimated that big new developments in that direction soon are to be announced.

C. T. Jaffray, president of the Minneapolis, St. Paul and Sault Ste. Marie Railway, told of the Boys' and Girls' Calf Club work and other practical efforts toward diversified farming, which business interests in a number of Northwestern States are actively carrying forward.

As chairman of the Board of the Agricultural Credit Corporation, known as "The Ten-Million-Dollar Corporation," Mr. Jaffray has noted how frequently farm conditions improve where farmers have taken up diversified farming instead of, or as a supplement to, small-grain farming, particularly in the Dakotas. He is convinced that this is the way in which business men can best help agriculture.

"In that direction lies the hope of future

prosperity for the farmer. Instead of 'relief' give the farmer sound business advice and counsel," said Mr. Jaffray.

This viewpoint was supported by delegates from Tennessee and Mississippi but drew a sharp challenge from certain Mid-Western delegates. Charles A. Ewing, of Decatur, Illinois, called Mr. Jaffray's attention to the fact that diversification has long been practiced throughout the Mid-West; that calf, poultry and pig clubs were an old story there, and still the farm problem is far from solved. He stated that more dairy cows in one section usually means displacement of cows in some older dairy section.

### Opportunity, Not "Farm Relief"

L. J. TABER, of Columbus, Ohio, master of the National Grange as well as a delegate, said, "What we must have is a balanced and national agricultural policy. We all believe in diversification but diversification alone cannot solve the American farm problem. Education, organization and cooperation are the three chief forces that will bring results. Sensible farmers do not like the term 'farm relief'; what they want is 'equal opportunity.'"

"Aid Congress in enacting a non-partisan farm-relief bill which will give equal opportunity to agriculture," was the plea of Carl Vrooman, former Assistant Secretary of Agriculture, speaking as delegate from the Bloomington, Illinois, Chamber of Commerce.

The tariff as a factor in the farm situa-

tion came in for much attention. Charles A. Ewing, of Decatur, Illinois, asserted that the manufacturer gets an average protection of 45 per cent ad valorem while the farmer gets but 20 per cent and on most crops even this 20 per cent is not effective. E. J. Gittins, of the J. I. Case Threshing Machine Company, Racine, Wisconsin, protested that farm machinery manufacturers do not have a protective tariff.

George F. Hasslocher, a manufacturing chemist of New York, suggested greater use of farm by-products and referred particularly to recent developments in the making of celotex from sugar cane refuse, and furfural from oat hulls. Objection was made, however, that usually in cases of this kind the farmer gets only about the cost of transportation for crude farm by-products of this type.

Arthur Huntington, engineer, of Cedar Rapids, Iowa, urged the idea that production costs must be decreased on the farm by greater use of machinery and more efficient methods. "It takes 2.18 hours of labor in agriculture to produce crops that will exchange for the products of 1 hour's labor in industry," Mr. Huntington stated. He recommended that business give agriculture the benefit of the same sort of efficiency and scientific analysis that business has employed.

J. S. Crutchfield, of Pittsburgh, president of American Fruit Growers, Inc., said: "There is nothing wrong with agriculture. It is probably the soundest business in the United States today, particularly since its severe deflation. The trouble is in the lack of adjustment between agriculture and business."

## Taxation and The Dawes Plan

THOSE whose interest led them to the luncheon meeting of the Finance Group heard authoritative addresses on important problems in public finance at home and abroad.

J. E. Sterrett, of Price, Waterhouse & Company, and until recently the American member of the Transfer Committee under the Dawes Plan, gave first-hand information on "The Dawes Plan in Operation." Hon. Allen T. Treadway, Member of Congress from Massachusetts, member of the House Committee on Ways and Means and of the recently organized Congressional Joint Committee on Internal Revenue Taxation, spoke on "Federal Taxation—What Should Be Done." Mark Graves, a member of the New York State Tax Commission, spoke on "State and Local Taxation."

Mr. Sterrett briefly reviewed the historical setting of the Dawes Plan, which had its origin in the fact that following the Treaty

of Versailles, reparations became the central economic problem in European affairs.

According to the speaker, the German Government has faithfully fulfilled its obligations under the plan. The Agent General for reparations payments received from Germany during the two and one-half years ending February 28, 1927, a total of 2,732 millions of gold marks.

Of that amount 2,608 millions have been disbursed. The remaining balance of 124 millions of gold marks, Mr. Sterrett said, does not indicate any difficulty in transfer.

Rather, it is a necessary working balance with which to meet drafts under contracts, of which there is always outstanding a substantial amount, and other forms of transfer payments the totals of which necessarily vary as between months.

The Dawes Plan, he said, "is not an inflexible piece of mechanism fastened on the back of the German Government . . .

# These men made possible my one big business achievement

Through them I have shared in the greatest commercial romance of the South

I have known some of America's keenest business men to marvel at the way a single coffee—Maxwell House—has literally taken the country by storm.

The story of this coffee is, indeed, the greatest commercial romance of the South. Just a few years ago it was known only in and around Nashville, Tennessee. Today it is roasted in six great plants situated at strategic locations from coast to coast. And from these plants it is supplied to every state in the Union.

Seven years ago, when I shook the hand of J. O. Cheek, president of the Cheek-Neal Coffee Company, I made a connection which has been the foundation of my one big business achievement. This connection was a contract to supply corrugated shipping boxes for Maxwell House Coffee.

From the moment this contract was made I knew that I had entered upon a very unusual business relationship. Mr. Cheek, and his associates, gave me their complete confidence from the start—a confidence that placed a responsibility upon me which



Executives of the Cheek-Neal Coffee Company, roasters of Maxwell House Coffee—America's largest selling high grade brand:

(Bottom row, left to right) William Cheek, Vice-President, Richmond manager; J. W. Neal, Vice-President; Joel O. Cheek, President; Leon Cheek, Vice-President, Jacksonville manager; Robert S. Cheek, Vice-President, Nashville manager.  
(Top row, left to right) J. R. Neal, Vice-President, Houston manager; Newman Cheek, Secretary; D. M. Bayer, Treasurer; Frank Cheek, Vice-President, New York manager; James Cheek, Vice-President, Los Angeles manager.

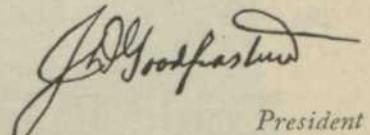


could not have been greater if I had been made a member of the firm.

Today this relationship is stronger than ever. For seven years I have watched with increasing admiration the force of character behind the Cheek-Neal Coffee Company. And I have constantly felt the far-reaching effect of this force upon my business and upon the sale of Maxwell House Coffee.

I am proud of the part my business has played in this great enterprise—small as

that part is. And I am also proud of the trust and confidence of such an organization as the Cheek-Neal Coffee Company. I do not hesitate to say that the Cheek-Neal business has been the very foundation of my success, and I take this opportunity to express my sincere appreciation to the executives shown in the picture above.

  
President



## THE NASHVILLE CORRUGATED BOX COMPANY

Manufacturers of Corrugated Shipping Containers  
Nashville, Tennessee

events are moving, the will to agree is growing and it is not unreasonable to hope that it will not be long until the final and comprehensive agreement foreseen by the committee will become a reality. The questions yet to be settled are delicate and of a nature easily provocative of quarrels, but the problems can be settled in a friendly way if approached in the right spirit. The situation at present calls for patience and an effort to understand. In particular, there should be everywhere a restraint upon criticism."

Congressman Treadway explained the organization of the recently created Congressional Committee on Internal Revenue Taxation and outlined the project which it is undertaking. No group, said the speaker, could be of more assistance to the Joint Committee, nor could any group do more to reduce taxation than the organizations represented in the membership of the Chamber of Commerce of the United States.

The committee, its organization and duties, were thus outlined by the Congressman:

"The committee is composed of ten members, five members of the Finance Committee of the Senate, three being of the majority party and two of the minority party, and five members of the Ways and Means Committee of the House of Representatives, likewise divided in political affiliation."

Congressman Treadway thus stated the duties of the committee:

"To investigate the operation and effects of the Federal system of internal revenue taxes.

"To investigate the administration of such taxes by the Bureau of Internal Revenue or any executive department, establishment, or agency, charged with their administration.

"To make such other investigations in respect of such systems of taxes as the Joint Committee may deem necessary.

"To investigate measures and methods for the simplification of such taxes, particularly the income tax.

"To report to Congress by December 31, 1927, with recommendations."

The Joint Committee, Mr. Treadway explained, was the answer of Congress to complaints from the taxpaying public. "It is absurd," he said, "that the phraseology of a tax law should be so complicated that an honest man must employ expert accountants or expert legal counsel to enable him to render an accurate tax report to the Government."

The present tax on business can and

should, according to Congressman Treadway, be materially simplified.

The Joint Committee is made up of two divisions, a Division of Investigation, and a Division of Simplification. Surveys and studies of business groups are being undertaken. Those who have built up great business enterprises throughout the country, said Mr. Treadway, are entitled to the best support the Government can give them. The business of this commission is to determine how the Government can best serve business and how business can best contribute to the support of Government.

"The business man," said Mr. Treadway, "is man enough to put all his cards on the table and not put any up his sleeve, if he thinks that the Internal Revenue Bureau is dealing with him fairly and definitely."

"One of the greatest needs," the speaker said, "is simplification of the intricate tax structure. And not only must the law's language be simplified, but its administration.

"We are a quick-moving people, and the income tax is a new law. While it was tried in the Civil War and again adopted in 1894, to be declared unconstitutional by the Supreme Court, nevertheless, we have had to take this thing and put it into effect during the period in our history least adapted to change of tax systems. But now we have returned to normalcy, and we should, therefore, put our tax house in order, and to that end I solicit again the assistance of the United States Chamber of Commerce, of all business, all legal minds, all corporate interests, of everyone who can help solve this problem; and if Congress with the assistance of your board and our advisory committee, can adopt a simple and stable, equitable tax law, we will have performed a great service for the American people and for future generations."

Mark Graves, a member of the New York State Tax Commission, concluded the session with a discussion of state and local tax problems.

"It is difficult," he said, "to speak about state and local taxation from a national standpoint, or on a nation-wide scale, because this is a federal government made up of 48 states and a few colonies, and possessions. My own notion is that a movement should be inaugurated to simplify and coordinate and standardize, if you please, our state and local tax systems.

"Another thing," he added, "the United States Chamber of Commerce might well consider is to propose a sort of model system of state and local taxation, including administrative features, accounting features and all that goes with it."

MacKenzie British Commission on industrial conditions in the United States, dealing principally with the status and economics of wages in this country and the conditions surrounding industrial relations.

"In their summary of conclusions they have sketched very rapidly and very accurately, I believe, the particular advantages which have led to American supremacy," Mr. Barnes continued. "The great extent of the country, the common language, the common political structure, one currency, reasonably uniform standards of living, a widespread market not cut by the barriers of customs frontiers and by way of summary—these then are the dominant factors which have tended to make for potential prosperity in a country which is young, enterprising and abundantly supplied with raw materials. They have made it possible for capital to be interested in industrial enterprises with confidence and for the material standards of life to reach a higher level."

#### Do the British Excel Us?

**S**TARTING with that conclusion for a moment I want to ask you as American employers, as administrators of large industries, whether the British conception of the social obligation, the social responsibilities of a government toward its workers in the form of establishment by law of unemployment and pension insurance is more enlightened than our more or less haphazard American individualistic way of securing through industry a higher earning power and leaving it for the worker himself to make his own form of savings.

"I want to ask you to consider the evidence of a large increase of savings accounts in this country, the consistent expansion from a total of six billion dollars in 1913 to over twenty billion dollars to-day, the expansion of life insurance contracts which today stands to a total of eighty billion dollars, almost the total wealth of the world at the time of the founding of this republic, whether those are evidences that when the Government undertakes the protection of the worker through some kind of insurance against unemployment or pensions, at the same time it undermines the confident venturing into industry which this report commends so highly as the result of these conditions."

#### Prosperity and Production

**T**HE FIRST address, "Prosperity and Production," presented by H. H. Rice, assistant to the president of the General Motors Company, called attention to the reasons for increased business in the face of declining prices and also without declining wages—either money wages or real wages.

"Many reasons have been given, among them:

"Small individual profits and quick returns.

"Rapid turnover.

"Plant rejuvenation and the scrapping,

regardless of expense, of good machinery

when there was offered new machinery of

greater efficiency.

"Absence of trade jealousies or trade secrets.

"Avoidance of waste, and attention to time saving,

## Trade Relations and Production

**I**WANT to ask you to consider the principles on which wages should be constructed with particular reference to the declaration of the American Federation of Labor that the wage should take into account the increased productivity of the worker. I want to ask you whether we are fooling ourselves as to whether that is a sound, fair and progressive principle of wage or whether in the protection of the

working man the British Trade Union concept of a forced standard, equal wage for every worker and including even restricted daily output are the right protections."

Mr. Julius H. Barnes, past president of the National Chamber, raised this point in opening the discussion at the Group Meeting of the Department of Manufacture. Mr. Barnes had read to his audience excerpts from the report of the so-called

**LUMBER'**

Another Presentation on GRINDING

by

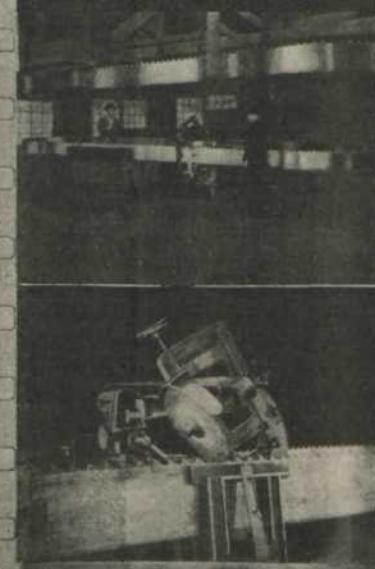
NORTON COMPANY

WORCESTER, MASS.

Axes that fell the trees in the vast forests are shaped and sharpened on grinding wheels in tremendous quantity production.



Saws that work lumber into usable forms are kept sharp by saw-gumming machines equipped with wheels made especially for this purpose.



The mechanical Yards is a typical example of a labor-saving machine of tremendous strength that Man's ingenuity has devised for the lumber industry. Machining operations by the grinding wheel and grinding machine are important steps in the manufacture of this wonderful lumbering apparatus.



Powerful engines of transportation—the caterpillar crawler, the motor truck and locomotive that transport lumber thru the forests owe a share of their efficiency to the production of hundreds of close fitting and working parts by grinding.



# NORTON

Grinding Wheels  
Grinding Machines



Refractories - Floor  
and Stair Tiles

"General interest in welfare.  
"Prevalence of research.  
"Promotion by merit.  
"Incentive to individual and group exertion.  
"Cooperation of labor.  
"The political or social set-up of our Constitution itself.  
"Absence of geographical barriers.  
"Mass production methods.  
"Prohibition.  
"The automobile and good roads.  
"The high standard of living.  
"Instalment selling.  
"Lack of class distinction.  
"Every man a capitalist through stock ownership, etc.

"In all of these reasons it will be noted that there is emphasis on the absence of things which retard or the presence of things which enhance production."

Mr. Rice also brought to the attention of his audience what, he says, is puzzling economic writers:

"A fall in prices with a rise in real wages and accompanied by a high level of profits. This has only come about by lower cost or, in other words a higher average production. This has spelled prosperity for all but it is pertinent to call attention to the fact that this can continue only so long as there is no let-up in the increase of production whether that is brought about

by new processes or inventions, or is further effected by any of the causes named by the students of our economic situation. So then the way to increased wages in a larger sense can only be reached through increased production, which is in turn dependent upon a larger market through lower prices to the public. . . .

Is it likely that this notably increasing harmony of concept with regard to the constitution of wages between employer and employee is due to the happier relationships between these two parties at interest? This would seem to be so, for the second speaker of the afternoon, Arthur T. Morey, general manager of the Commonwealth Steel Company, St. Louis, in his address, "A Forward Look in Industrial Relations," said:

"Industrial relations have much to do with human happiness. When the workers of the world receive justice and a due measure of worldly comforts and opportunities, one of the great causes of human friction and unhappiness is removed. Life, liberty, and pursuit of happiness is interpreted by most people as the right to make and the blessings of having a good living."

Many other members of the conference supported these views by personal testimony of their experiences in seeking better relationships between themselves and their workers.

business men. Mr. Cherington is chairman of the Chamber's special sub-committee which supervised the Baltimore census and planned the limited distribution census which is now being made by the United States Bureau of Census in ten other cities.

"Many of the figures resulting from this census," he said, "have hitherto been only a matter of estimate and conjecture. For the first time, these figures give us actual and trustworthy data based on an enumeration made from store to store."

#### Retailers of 45 Types

**I**N CONDUCTING this work, the tailers of the city were classified into 45 types of stores. The number of the wholesale trades covered in detail was 43. Merchandise sold through these channels has been divided into 80 commodity classes, and it is expected that when the work is completed we shall be able to show the relative importance of the various commodities sold in various types of establishments.

Included in the information which the report on the Baltimore census furnished, in exact figures were: Number of retail and wholesale establishments, number of employees, total sales in the forty-five types of stores, and wages paid to those engaged in distributing merchandise.

Summing up the import of the Baltimore census, he said:

"The important mechanism by which goods as produced are brought to those who are to consume them has had no place in official figures. Merchants, economists, manufacturers, advertising men, in fact, all who are interested in commercial or industrial growth will welcome this first mathematical picture of the distributing equipment of one of the chief cities of the country."

Dr. Edwin F. Gay of Harvard University, who spoke following Mr. Cherington, predicted that a new era in distribution would result from the collection of definite and comparable business facts such as those obtained in the Baltimore census of distribution.

"When we learn how much better it is to know," he said, "than it is merely to estimate, we shall wonder why we never had a census of distribution before. I feel today that we are taking a great forward step, that we are setting a new advance in the application of human intellect to business through quantitative measurement which is the basis of scientific progress."

The third big movement discussed at the session, the planning of distribution upon a factual basis, was concisely summarized in the address of L. D. H. Weld of the H. K. McCann Company, on "Sales Quotas, Consumer Demand and Profitable Markets."

He described the widespread movement for a greater efficiency in distribution which had resulted in market research, the training of salespeople, and planned sales. The question of sales quotas, he said, was the key to the determination of consumer demand and the finding of profitable markets.

Everett R. Smith, of the Fuller Brush Company, held that "sales quotas are an important part of efficiency and economy in distribution."

Urging flexibility in the use of sales quotas, he pointed out that "in distribution

## Getting the Retail Facts

**D**ISTRIBUTION is entering a new era of efficiency and economy as a result of the rapid progress of three big movements:

Elimination of wastes due to uneconomic practices and trade abuses through the cooperation of all classes of distributors within each trade.

A census of distribution providing accurate and comprehensive figures on the distribution of merchandise,

Planning of distribution upon a scientific basis, utilizing all available facts.

Vice-President Robert R. Ellis, of Memphis, Tenn., who presided and acted as toastmaster, reported that the present status of distribution is splendid and that extremely encouraging progress is being made in continuing the activities growing out of the National Distribution Conference held two years ago.

#### Two Movements Growing

**I**N discussing the results of the National Distribution Conference, he said that "we can see two large movements growing out of it. One of these is the effort to plan distribution on a factual basis—an effort which has resulted in the first distribution census. The other is the trade relations movement—the effort to create better relations between all classes of distributors—between those who buy and those who sell."

Judge Edwin B. Parker outlined the growth of the concept of better trade relations and estimated its significance in American business. Judge Parker, who was chairman of the National Chamber's committee that laid down the "Principles of

Business Conduct" which have been subscribed to by more than 900 Chambers of Commerce and trade associations, made an eloquent plea for the self-regulation of business.

"You have the right and the power," he told his audience, "to eliminate from business the numerous wasteful trade practices which have crept into it and become trade customs, and gradually build up for yourselves a law merchant for your self-government.

"This Chamber is the leader and the mouthpiece of American business. That business is active and progressive, not static. It will be alert, and earnest, and courageous in giving practical application to the principles of conduct which it has adopted."

A. Lincoln Filene, chairman of the Chamber's Trade Relations Committee, outlined the practical aims and efforts of his committee which has been responsible for the progress of the trade relations movement. Mr. Filene told of the meetings which have been held in various parts of the country and of the interest and enthusiasm manifested in many different trades. He emphasized the committee's close relation to the feeling and wishes of American industry as a whole, saying: "We are attempting to express through our committee the desire of business men in all sections of the country."

Paul T. Cherington, of the J. Walter Thompson Company, presented the first report on the Baltimore census of distribution—a new census effort which has been watched with great interest by all classes of

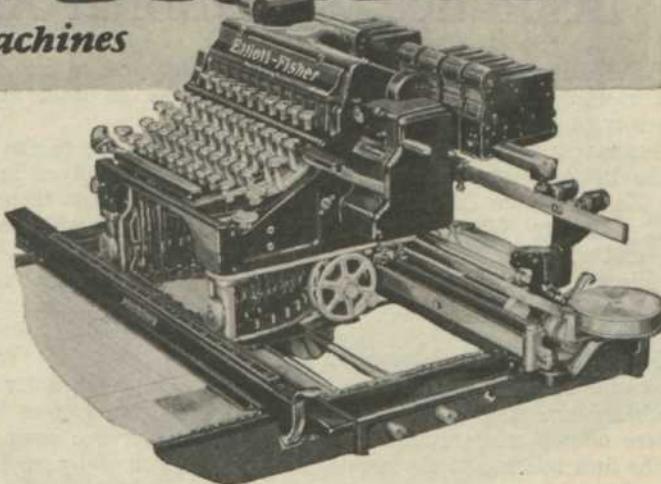
# Elliott-Fisher

*Accounting - Writing Machines*

**E**lliott-Fisher accounting-writing machines do a great deal more than handle routine accounting work. They so organize your accounting department that it can furnish you daily every vital fact that helps you guide your business. Yet your accounting overhead actually goes down!

Elliott-Fisher can do more effective work because it has the exclusive flat writing surface and automatic-electric operation. These two features enable Elliott-Fisher to combine many details into one operation and at the same time do them with greater speed and accuracy than is possible any other way.

We shall be glad to show you how Elliott-Fisher can fit smoothly into your accounting system and improve it. Write us for details.



# Sundstrand

*Adding, Figuring & Bookkeeping Machines — Cash Registers*



**S**undstrand does more than simply add. Touch a key and it subtracts directly. It prints the figure to be subtracted as well as the result. No complements to figure. Nothing to learn. Touch another key and Sundstrand is ready to do automatic shift multiplication.

Yet the Sundstrand keyboard has only ten figure keys—never more. The operator need not locate columns. Without shifting position, one hand controls all operations.

Such simplicity of action gives Sundstrand extreme speed without any loss of accuracy. Its visibility and portability make it convenient and pleasant to use.

See that you get all the features Sundstrand offers when you buy an adding machine. You will find them in no other machine at anything like Sundstrand's price. Write us for further information.

## General Office Equipment Corporation

### Elliott-Fisher Division

The Elliott-Fisher Division markets Elliott-Fisher Accounting-Writing machines designed to meet every accounting requirement.

Elliott-Fisher Company has acquired the business and assets of the Sundstrand Corporation.

Products of both companies are marketed by the General Office Equipment

Corporation through its Elliott-Fisher and Sundstrand Divisions.

Sales and service offices are maintained by GOEC in the principal cities of the United States and foreign countries.

### Sundstrand Division

The Sundstrand Division markets Sundstrand Adding, Subtracting and Bookkeeping Machines and Cash Registers.

342 MADISON AVENUE, NEW YORK CITY

we are not dealing with machines—we are dealing largely with human beings. Sales quotas must be modified in their application to meet the needs of the individual business, its conditions of operation and its human elements. And in formulating sales quotas, let us be sure to separate 'coinci-

dences' from genuine business 'indices.'

In discussing planned distribution, both speakers stressed the value of a distribution census in furnishing basic statistics. They declared that it would provide more comprehensive facts than any individual business had been able to collect.

## Insurance, A National Asset

**I**NFORMATIVE statements of the benefits of insurance to the nation, to the community, and to the individual were ably presented by the speakers who addressed the insurance group session with James S. Kemper, Vice Chairman of the Insurance Advisory Committee of the Chamber and manager of the Associate Mutual Insurance Companies, Chicago, presiding, due to the illness of H. A. Smith, chairman of the committee.

In addition to the formal program of papers on the service of insurance, the general subject for consideration, two resolutions were offered and unanimously approved; the first relating to the regulation and supervision of insurance; the second recommending the centralization of all Federal health activities, except those concerning the Army, Navy and Veterans Bureau.

### Notable Speakers

THE SPEAKERS at this meeting included Dr. S. S. Huebner, professor of insurance, University of Pennsylvania, Philadelphia; Leroy A. Lincoln, general counsel, Metropolitan Life Insurance Company, New York; James S. Kemper, who presided; C. A. Ludlum, vice president, Home Insurance Company, New York; F. Highlands Burns, president, Maryland Casualty Company, Baltimore; and James L. Madden, who summarized the report of the Chamber's Insurance Department, which was to have been read by H. A. Smith.

In a suggestive measure of the importance of conserving and protecting human life, as well as property, Professor Huebner estimated the value of life in the United States at \$2,400,000,000—six times the aggregate of all the nation's material wealth. Of the significance of that valuation and of the usefulness of insurance, he said,

"Life insurance is the institution which, if rightly used, enables us to do for the value of our life all of the things by way of scientific management that we are now accustomed to do in the interest of our property possession. Life insurance is economics as we teach it in the field of property taken over bodily into the realm of human life values."

### Service and By-Products

IN LIFE insurance, Mr. Lincoln explained, it has been customary to consider as "service" some of the facilities and activities which might fairly be called by-products of the business. Although these are worthy and of considerable value, he believed the real service of the life insurance companies to be that protection which they afford to a large percentage of our population against the financial distress which so often follows in the wake

of death and to an increasing degree, in the wake of total and permanent disability.

Of the value to the national welfare of the saving involved in life insurance, Mr. Lincoln said that there is not only the ostensible saving which arises from the ownership of an endowment policy, but also the more or less unconscious saving which is necessary in connection with any life insurance policy. It would be quite impossible, he thought, "to express in dollar values the vast sums which would have been dissipated, even by the most thrifty, if life insurance savings were not known and practiced by so large a part of our population."

The extent to which the United States has been transformed into a nation of security holders through life insurance was indicated by Mr. Lincoln, who said that at the end of 1926 fifty-two of the larger companies held city mortgages amounting to \$3,123,000,000, railroad stocks and bonds amounting to \$2,435,000,000, Government obligations amounting to \$1,116,000,000, and public utility securities to the amount of \$819,000,000.

As an illustration of the economies resulting from the preservation of health and prolongation of human life, Mr. Lincoln pointed to some of the striking accomplishments in that field. Longevity is a proper aim for life insurance company service, he said, for the field is large and its cultivation is hardly more than begun, but remarkable achievements have already demonstrated the soundness of the attempt.

### Insurance Service to All

**F**IRE insurance service affects every department of business, declared Mr. Kemper. For illustration of its scope he pointed out that, "by allowing credits in the insurance rate for superior construction, fire insurance makes possible reductions in rentals for desirable space. The installment plan of buying, which for good or ill is now so general, can only exist and expand with the aid of fire insurance service. It is believed that in the future tax rates may be reduced on buildings which have been made as nearly as possible fire-proof, on the grounds that such a building not only is not apt to require fire department services, but also actually arrests the progress of fire commencing in an adjacent structure not so well built. It is not doubted that the requirements of the companies in the matter of records for loss adjustment purposes will continue to have a wholesome effect in stimulating the use of appraisals and the improvement of inventorying in many businesses."

Considering the requirements of law and of regulations affecting the operation of fire insurance, Mr. Ludlum said:

"Perhaps it is desirable that insurance companies are required to make statements annually to each one of the states revealing details of operation, underwriting and investment income, expenses and losses paid and incurred, profit (if any) with a minuteness of itemized particularity such as probably no other business or occupation is called upon to render or reveal. Certainly there can be no 'trade secrets' in fire insurance. Perhaps also, but not surely, it is expedient and in behalf of the public interest that supervision of the fire insurance business by the states should extend so far beyond the policy of other countries in this respect."

"These presumptions may be admitted, however, without impairing the force of the assertion that the variety and diversity of valued-policy, anti-coinsurance, anti-compact and anti-this-that-and-the-other laws; statutes forbidding agreements on rates, and others (frequently in the same state, strange as it may seem) practically forcing all insurers into a single bureau or association committed to rigidly uniform conduct and operation, do constitute obstructions of state control which hinder rather than promote the rendering of the fullest service."

Of the development of inspection services for the prevention of industrial accidents, Mr. Burns said:

"Probably the first regular inspection service for the prevention of accidents, for conserving life and property, was given with steam boiler insurance, and this class of insurance was also one of the first of the casualty lines. While the casualty companies in their earlier days may have inspected a certain portion of their risks, the regular and periodical inspection work was confined to elevators and steam boilers, and there is no line of insurance where such a large proportion of premium charge is paid out for inspection service as under boiler policies. The assured in this line has been educated to pay in the interest of prevention."

The interest of the companies in promoting safety, Mr. Burns explained, saying that, "the companies are subscribing a large amount of money each year to the National Safety Council, and lately have authorized the expenditure, through the American Engineering Council, of many thousands of dollars for the purpose of making an engineering survey of the relationship between industrial safety and efficiency of production, believing that the way to interest executives is to show them that safety is intimately related to production."

Taking the place of Mr. Smith, Mr. Madden referred to significant items in Mr. Smith's report, saying that Mr. Smith had emphasized the interest of insurance companies in the activities of the Chamber's Insurance Department with the fact that there are about 169 fire insurance companies, 102 life insurance companies and some 70 casualty insurance companies holding membership in the National Chamber, or a total of 344 insurance companies with total assets of more than \$10,000,000,000.

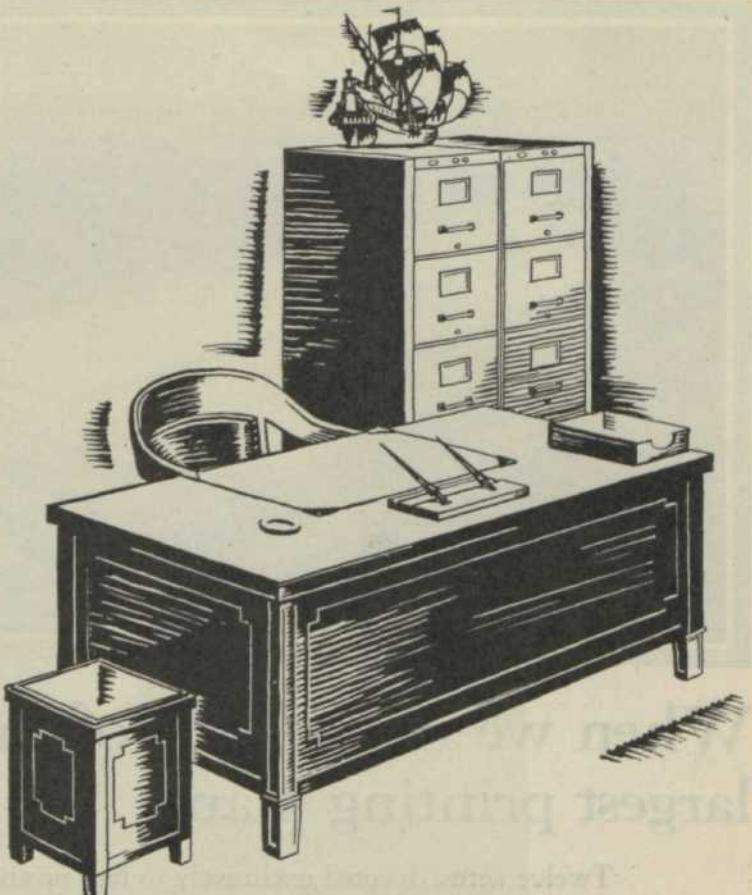
Also disclosed was the Chamber's survey of special insurance taxes, the aid given to business men in protecting their interest against constantly rising trends in work-

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**Y**ES—it's steel equipment—but it's from the shop of Art Metal craftsmen.

Why does it differ? Partly because the Art Metal of today is wrought from special open hearth steel—partly because its triple spot welded construction gives double strength—partly because every fitting is perfectly machined—partly because the baked-on enamel finish is more lasting and beautiful.

But there is another difference you will notice when you see an Art Metal product. It has a cleanliness of line—a sturdy look of grace and beauty—an air of painstaking

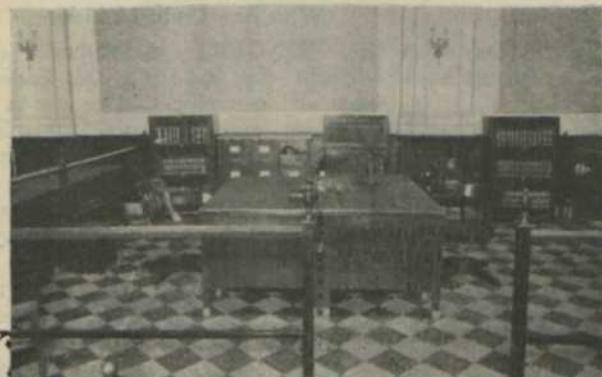


attention to details that is both an aid to beauty and a guarantee of mechanical excellence. These things are the heritage of modern Art Metal workers from the first craftsmen ever to make steel office equipment.

The proof that these Art Metal standards have been maintained in Art Metal desks, files, safes, and cabinets awaits you at our display rooms.

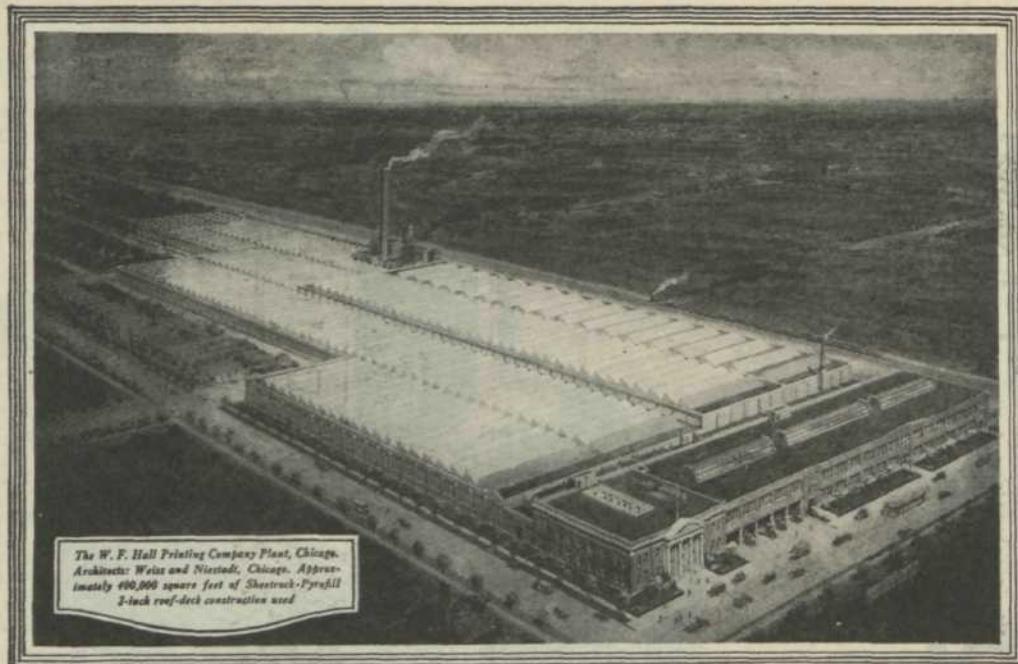
We shall gladly let you be the judge of Art Metal quality and beauty—and at the same time we shall tell you why Art Metal can be priced so reasonably. Art Metal Construction Co., Jamestown, N. Y.

*Here is a section of the Art Metal equipped offices of the Wells-Brown Co., of Toledo, Ohio. Note how Art Metal lends dignity to this office.*

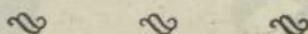


## STEEL OFFICE EQUIPMENT

*by* **Art Metal**



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Twelve acres, devoted exclusively to fine printing! And under this far-flung expanse of roof, temperature and humidity must be controlled with utmost precision. Lighting must be well diffused. Firesafety was of extreme importance. Fuel economy was a vital consideration.

A Sheetrock-Pyrofill roof deck was specified. In this modern monolithic roof system, only the smooth, grey-white panels of Sheetrock are seen from underneath. Light diffusion is splendid and painting unnecessary.

And above the Sheetrock lies a thick, highly insulative blanket of Pyrofill—enduring gypsum rock poured-in-place, which *cannot* burn or transmit fire. It stops the passage of heat, saving fuel, preventing condensation of moisture and making possible a close control of temperature.

Wouldn't the complete architectural and engineering data on this unique and efficient roof-deck system be a good thing to have in your files? Just have the coupon mailed.

**UNITED STATES GYPSUM COMPANY**  
General Offices: Dept. H, 300 W. Adams St., Chicago, Illinois

# SHEETROCK PYROFILL

Reg. U. S. Pat. Off.

## MONOLITHIC ROOFS

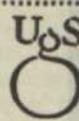
*Manufactured and installed by the United States Gypsum Company*

**UNITED STATES GYPSUM COMPANY**  
Dept. H, 300 W. Adams Street, Chicago, Illinois

Please furnish me with full engineering and architectural data on Sheetrock-Pyrofill Monolithic roof-deck construction.

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men's compensation, its vigorous opposition to monopolistic state funds and to compulsory automobile insurance, its interest in the certification of automobile titles to combat theft, its concern to obtain a more complete registration of births and deaths, its work in behalf of fire prevention and fire waste reduction, its important insurance investigations and their value in educating the business community, and the information made available in response to specific inquiries.

## How Shall We Build Our Cities?

SHOULD we build our cities up or out, should we ride in subways or automobiles? Do the elevators of skyscrapers relieve street traffic congestion? How many men whose signatures you want on a dotted line—or who want your signature on a dotted line—have offices in the same building with you, and is this an advantage or a disadvantage? Is it your ideal of a business day to enter a skyscraper in the morning and stay until evening, visiting your customers, clients, patrons by going up ten stories or down twenty, get your lunch on the roof, your hair cut in the basement and, on your way home, stop in the lobby to buy a tabloid to read on the subway and violets for your wife?

### The Street of Tomorrow

ARE YOU thrilled at the thought of six level streets, five levels underground, and at the thought of paying the taxes necessary to build them? And would you like to have the Government stagger your business hours, telling you when to open your office and when to close it so you and your staff will leave enough room in the subways and on the six level streets for the other tenants of your building to come in the morning and leave in the evening?

These were some of the questions asked at the Civic Development Session which staged a debate between advocates and opponents of skyscrapers.

This question of bulk of business buildings was used as illustrative of one of the concrete problems that face us in the building of our cities. It was preceded by a discussion of the new city which has spread over wide areas outside the municipal boundaries. This was opened by Robert Kingery, Secretary of the Chicago Regional Planning Association, who gave an excellent outline of the common-sense advantages of proper planning.

### Who Are Civic Leaders?

MR. KINGERY established beyond doubt the fact that the leaders of business are becoming the leaders in civic development and that the principles of business are being applied to city planning. He attributes this new interest which business is taking in civic affairs to the serious problems which have been created by the automobile.

Mr. Kingery's explanation of civic growth was an excellent frame for the detailed picture of high and low buildings which were admirably defended by the two leading advocates of each type, Harvey Wiley Cor-

# OveR-Way



## Saves 54 man-hours a day!

Result is increased production, quicker service to customers, and an end to interrupting the work of other departments

**T. W. Hall, Purchasing Agent of the Mound City Foundry, St. Louis, says:**

"A year ago we installed a Richards-Wilcox OveR-Way System with about 300 ft. of I-beam track for conveying molten iron from the cupolas to the molds. Six ladles of 500 lbs. capacity, hanging from R-W Ball-bearing Trolleys, handle all iron for castings of 500 lbs. or less. Now one man can easily move a ladle, where formerly it required 2 men to carry a 150 lb. ladle.

"Since the traveling crane is usually busy pouring large castings, most of the iron for smaller castings was formerly carried by hand. During pouring hours, we used to call in six men from other departments to help carry iron. Now it is all handled by the regular foundry crew.

Write our nearest branch office, and one of the R-W Engineers will call to make a free analysis of your doorway and conveying requirements

"Our R-W equipment has cut our pouring time from an average of 2 1/4 hours a day to 1 1/4 hours. Saving six extra men's time for 2 1/4 hours and the regular crew's for 1 hour means a total saving of about 54 man-hours a day. This saved time is put into increased production, which gives quicker service to customers. It has also put an end to interrupting the work of other departments.

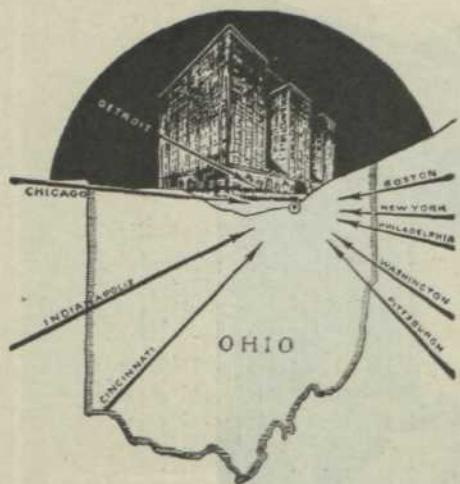
"With the help of R-W equipment, our accident expense has been cut about 30%, and our liability insurance premium has been materially reduced.

"Our R-W track, switches, and trolleys give us no mechanical trouble, and the only maintenance necessary is to oil the trolleys daily.

"We are planning to extend our OveR-Way System so as to carry castings from the foundry floor to the cleaning room."

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"A Hanger for any Door that Slides."

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bett of Helmle, Corbett and Harrison, Architects, New York, and Major Henry H. Curran, counsel of the New York City Club. Mr. Corbett, intimately associated with many of the highest and finest of New York's buildings, presented the advantages of skyscrapers. Starting with the fundamental principles of business life, Mr. Corbett stated that the skyscraper was the first architectural advancement made in the last two thousand years and that this advancement was the natural outgrowth of American business necessities. He attributed the success of America to its ability to produce large quantities of work in a short time and that this method can only be satisfactorily carried on by concentration of business. The skyscraper is, therefore, the solution to our growing business complexities.

He called attention to the fact that American business is carried on differently from European business. In Europe, shops, stores and businesses of all types are mingled together and spread out over large areas requiring considerable time to transact business with several different persons. In America, however, financial firms are grouped together in one section, the legal fraternity in another, shops are confined to a third district, and wholesale houses to a fourth, etc. This we have recognized and regulated by zoning for use.

It is, therefore, a saving of time to conduct all of one's business in one section, preferably in one building. To purchase wholesale commodities within a radius of a quarter of a mile, or to buy hats, shoes, collars, and all wearing apparel without crossing a street is an asset to the conduct of business.

This advantage is increased by permitting large high buildings which concentrate each kind of district in a small area.

### A Striking Illustration

IF THE Forty-second Street District in New York were flattened out to seven stories it would cover a mile and a half. Certainly time is saved if one may travel vertically instead of horizontally and the reduction of street traffic is thus apparent. Skyscrapers, therefore, do not add to street congestion, but actually relieve congestion.

In the matter of the economic height of skyscrapers, Mr. Corbett stated that it should be considered from two angles, first, that of the owner, and, second, that of the community. In the first case a height of twenty stories has been proven to be the height at which the greatest net return will be produced. To build higher so increases the cost of construction that the net return rapidly falls. There is no need, therefore, to place a restriction upon the height of buildings, as the economic factor will in itself limit all but those buildings erected for monumental or advertising purposes.

From the standpoint of the community there is a definite relation between the bulk of the building and the street capacity, and, inasmuch as high buildings are essential to American methods of business, streets should be designed to accommodate the resulting traffic. This naturally results in many level streets such as the one which was recently built in Chicago. Mr. Corbett ended his talk with the plea that because

of the necessity for skyscrapers and because the flow of traffic is of vital importance to a city's growth, streets should be so designed that additional means of transportation may be added to accommodate the business needs of the city.

Major Curran, opponent of skyscrapers, in advocating a lower height limit for cities, also started with fundamental principles. He stated that a city beautiful has a very real dollar and cents value and that lack of control over the height of buildings spoils the appearance of many beautiful structures. A building which when erected is pleasing in appearance, provides plenty of light and air for its occupants, and pays a substantial return on its investment, is depreciated in value both from the standpoint of monetary return and desirability to its tenants as soon as other skyscrapers flank it on all sides. It is because of this condition that New York is an outstanding example of ugliness, and it is because of this ugliness that so many Americans seek the beauty of European cities.

### Why No Autos Downtown?

IN REPLY to the statement that there was no automobile congestion in Lower Manhattan, Major Curran stated it was because automobiles could not get beyond the traffic blockade at Forty-second Street, which was as effective as the old wooden stockade at Wall Street, for which the street was named.

In the matter of doing all one's business in a single section or single building Major Curran stated that a count of such transactions revealed the fact that only one person in forty transacted business with an architect in the same building. In commenting on the traffic problem, Major Curran was not so much concerned with that which existed during the business hours as he was with the traffic of the morning and evening rush hours. He stated that even if the skyscraper had no effect upon street traffic it certainly affected the subway system. If a ten-story building housed a given number of workers, a twenty-story building would house double the number. Likewise if the present buildings in Manhattan created serious congestion in the subways additional skyscrapers would present a problem almost impossible of solution. Enough building plans have recently been approved to add 150,000 persons to the business district. This number will require five subway tracks running trains at capacity loads to accommodate these persons during the rush hours.

### A Subway to Cost \$700,000,000

MAJOR CURRAN stated that New York was now planning subways at a cost of \$700,000,000 for the accommodation of those persons destined each day to the business section. This sum is of such size that expenditures for all other municipal improvements must be curtailed and after the money has been spent and the subways in operation the congestion will be as bad as it is today because skyscrapers are still being built. And not only, he stated, will the \$700,000,000 have been lost but the city will be so far behind in necessary municipal improvements that it will never be able to catch up.

The discussion which followed was led by Arthur S. Bent, President, Bent Brothers, Inc., Los Angeles, California. Mr. Bent stated that Los Angeles had placed a height limit of one hundred and fifty feet upon its buildings. The result of this height limit he thought relieved what would otherwise be a very congested area. The relatively low height limit spreads the shopping district over large areas and prevents the exploitation of real estate.

#### Civic Competition Affected

THE LAST speaker on the program was Fred E. Reed, of Oakland, Calif., first Vice President of the National Association of Real Estate Boards. He dealt with the question from the point of view of a realtor who handles many "downtown" business buildings and who is concerned not only with the properties of his clients as a group but with the advantages offered by his city in its competition with other cities.

"Selling real estate," he said "is not the only thing with which realtors concern themselves. Like the successful automobile salesman, they must make sure that they have a good product." He approached the question from the viewpoint of: 1st, income on property, 2d, deductions from incomes, 3rd, permanency. Economic height is the height above which the return from each additional story would be a diminishing one. In a sixteen-story building it is not the top floors which tell the story, but those below the seventh—for every tenant wants the better light and air of the upper floors.

#### Shall Politics Rule Our Resources?

AT THE sources of industry—materials and power—the Natural Resources Production Department of the Chamber of Commerce of the United States is on guard to deal with collective problems, Chairman Milton E. Marcuse told the lively luncheon session of his section. Reviewing the work of the past year, under the title "Natural Resources in the New Era," Mr. Marcuse found that in conservation of natural resources business was solving for itself and the nation every problem in a far better way than government bureaucracy could hope to solve them.

#### Future Forests Assured

COMMERCIAL forestry is settling the problem of future forests and the lawmakers have about abandoned all thought of growing trees by legislative restriction of the forest industries. At the same time, Mr. Marcuse pointed out, the lumber industry embarks on a \$5,000,000 trade extension enterprise for group advancement in "the new competition," involving exhaustive research in forestry and economical utilization of wood. And the Chamber of Commerce, helping the forest industries to help themselves, is to hold a great national commercial forestry conference in October.

The petroleum industry, fending off governmental regulation, is mastering the problem of efficient production of mineral oil and will no doubt deal successfully with its marketing and distribution tasks.

The Government has kept its hands off



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# A rich, green, glorious

MELLOW with tradition, rich in beauty and resources, Wisconsin's rolling hills of forest and meadowland form one of the most favored regions in America. Twenty-five hundred lakes sparkle amid its whispering forests. Its sandy shores are washed by the blue waters of Lake Michigan and Lake Superior. Its brooks and rivers go laughing down to the blue upper reaches of the Mississippi.

Here was the Indians' happiest hunting ground, the land of richest promise to the French voyageurs. Today it is a northern playground for the entire Nation. It is, besides, one of the richest dairylands on earth. And its cities, the steady growth of generations of social and industrial experience, are powerful world-famed communities. Wisconsin stands first in production of:

MILK: 9,062,000,000 pounds annually; farm value, \$187,857,000.

CHEESE: 338,305,000 pounds; value \$75,550,000. 70% national total.

CONDENSED DAIRY PRODUCTS: Almost one-third America's full output. Value \$40,204,000.

MANUFACTURED DAIRY PRODUCTS: Value \$244,865,000.

FARMING: First in silage, peas, hemp, clover and pure-bred seed. Only North Central state where farms increased in number between 1920 and 1925. Dairy farms, 178,000; milch cows, 2,050,000. Sixth in total value of agricultural products, though twenty-fifth in area and thirteenth in population. Highest average yield of farm crops. The extraordinary variety of products includes a valuable tobacco crop.

INDUSTRY: World's largest production of aluminum kitchen utensils. Ranks among leading states in production of fiber, wood and metal furniture; farm implements, automobiles, textiles; paper and paper products; paints, varnishes and stains.

MILWAUKEE: Probably the best balanced industrial city in the world. Population of metropolitan area, 750,000. Trade depressions and industrial slumps are virtually unknown. Lowest death rate of any major American city; lowest percentage of crime. One of the greatest construction and repair railroad plants is maintained here by the Chicago, Milwaukee & St. Paul Railroad.

## Young in opportunities

Wisconsin is not new country—except in its ever-fresh opportunities.

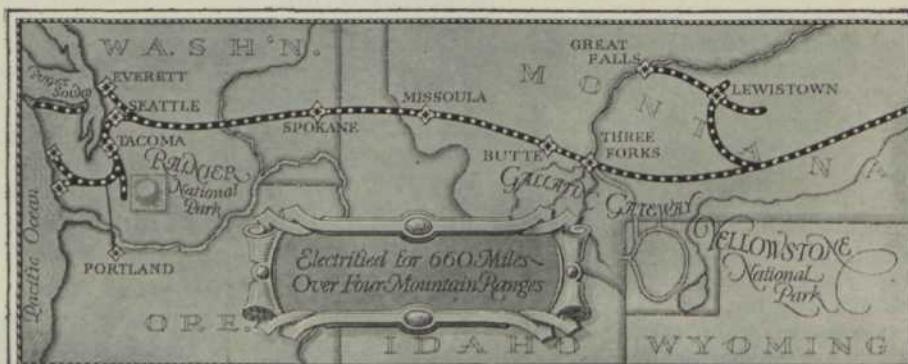
It is one of the most delightful and livable regions. Young forests cover vast areas, affording shelter to a great variety of birds and wild game. The lakes and streams are world-famous as the habitat of trout, bass, and the gamiest of fresh water fish—the tiger muskellunge. It is directly accessible to four major cities—Minneapolis, St. Paul, Milwaukee and Chicago; and its smaller cities have a cultural and industrial background that is traditional.

A new rush has commenced into Wisconsin. The nation-wide demand for water-frontage has discovered its extensive sandy shores, its sunny lakes in the depths of glorious forests, its nearness to great cities. All business is prospering mightily as the tide rolls in.



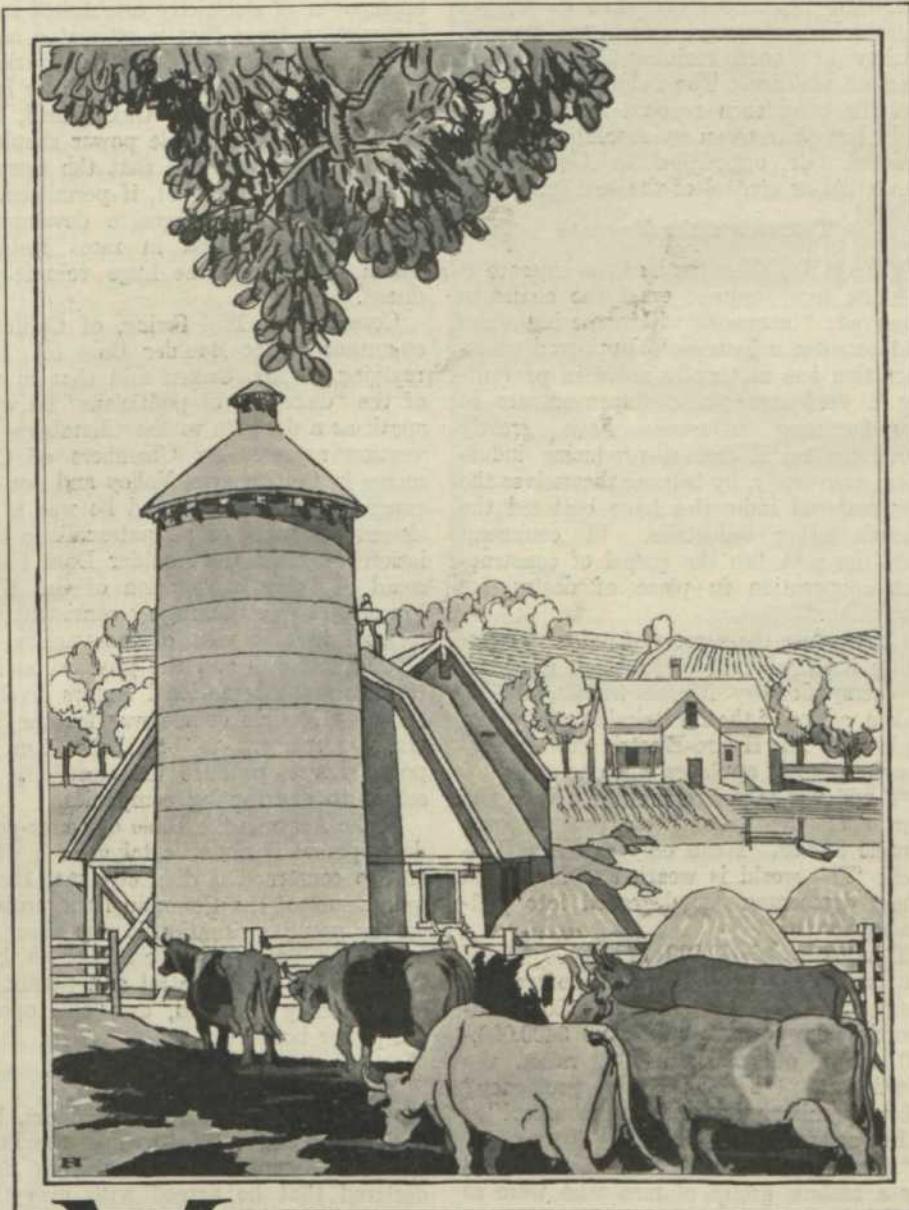
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ROUTE TO THE  
PACIFIC AND FAR EAST

The



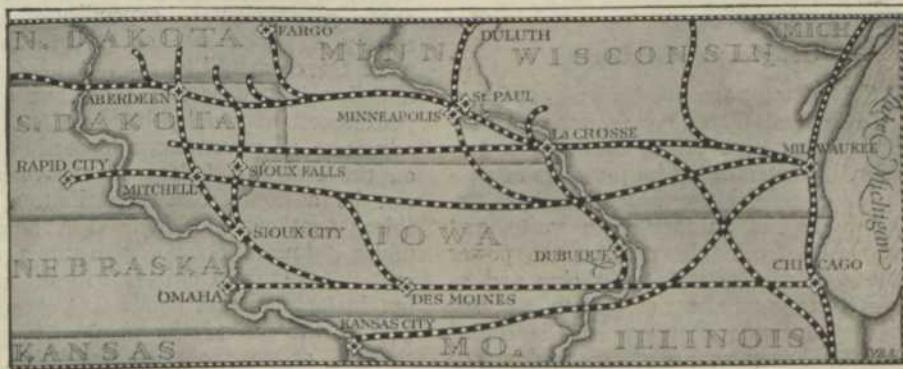
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<input type="checkbox"/> Kansas City	<input type="checkbox"/> Wisconsin
<input type="checkbox"/> Agricultural Montana	<input type="checkbox"/> Iowa
	<input type="checkbox"/> Upper Missouri R. Valley

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## Where the road began

RAILWAY building began in 1851 with 20 miles of track from Milwaukee to Waukesha—extending later to Madison, and then to Prairie du Chien. This line, linking Lake Michigan with the Mississippi, was the forerunner of the vast Chicago, Milwaukee & St. Paul system.

The Milwaukee Road is now over 11,000 miles long, employing 60,000 people. It extends a network over all the enormous block that forms the northwestern fourth of the United States—from Chicago to Kansas City, Sioux City and Omaha; to Minneapolis, St. Paul and Duluth; to Milwaukee, the Upper Michigan Peninsula, the Black Hills, all the Northwest, Puget Sound, the Olympic Peninsula and the Pacific.

Growing with the great body that forms the agricultural, industrial and commercial life of the farther Middle States and all the Northwest, the Milwaukee Road has extended its trunk lines, spurs and feeders into the richest and most beautiful regions of this section of the continent. Carrying farm implements, machinery, tools, seeds, pure-bred stock, and people in an endless stream, it brings new life to the Northwest. Across the Belt, Bitter Root, Rocky and Cascade Ranges, to shipside—it is electrified. A new pioneer step is the equipping of its passenger cars with roller bearings.

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When you make your next western trip, take this wonderful route. You will see the most diversified scenery in America—the golden plains—lush dairy country—three of the greatest rivers in the world—four tremendous mountain ranges—the glories of Puget Sound—truly an empire of immeasurable opportunities!



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the coal-mining industry, and a national coal strike that doesn't make a ripple on the surface of public interest is witness to the industry's ability to handle its affairs in the common interest. "A hundred thousand miners have ceased to work and several thousand mines are shut down, yet there is no shortage, prices are normal, quality has been maintained; there has been no violence. The industry has justified the confidence reposed in it by this body last year when by resolution we reiterated our opposition to Government regulation or control of the coal industry."

**Teamwork the Keynote**

**TEAMWORK** is the business keynote of the new business era," the chairman observed; "teamwork within the industries and between industries." Improved transportation has materially aided in preventing a coal emergency, improvements in manufacturing industries have greatly aided the metal and oil-producing industries; conversely, by helping themselves the raw material industries have bettered the manufacturing industries. "I commend you," he said, "to the gospel of constructive cooperation in place of destructive regulation."

Contrasting the success of industry regulating itself with government in industry, as exemplified by Muscle Shoals, W. H. Onken, editor of the *Electrical World*, whose topic was "The Hydro-Electric Power Era," drew a salvo of applause when he said:

"I will not take the time to discuss the merits of the present controversy over Muscle Shoals. I can only say with Disraeli: 'The world is wearied of statesmen whom democracy has degraded into politicians.'"

That only 12,000,000 of 55,000,000 of the nation's potential water horsepower has been developed, when 30,000,000 hydroelectric horsepower would save \$400,000,000 worth of coal annually, raised the questions: "Wherefore this profligacy? Why this miserly hoarding of resources?"

The answer:

"For a time there existed in this country a zealous group of men who were so fearful lest coming generations might not have the wherewithal to warm, clothe and feed themselves that they made it difficult and well nigh impossible for any man or set of men to develop our natural resources. They believed, mistakenly but none-the-less sincerely, that conservation meant to keep all things as they are. As a result hydro-electric development was seriously retarded."

**Congress Acted Slowly**

IT TOOK ten years for Congress to enact the Federal Water Power Act which affects 85 per cent of all available water-power. Responding to its purposes of putting to beneficial use water which otherwise would run on forever to waste, and to produce from falling water the power so vital to the nation's well-being and so essential to its industrial growth and supremacy, private industry has developed 1,500,000 horsepower and has undertaken to develop 3,200,000 more in the next ten years. Calling cheap power the first fundamental of industrial progress, "the social

consequences of which are tremendous," Mr. Onken quoted Lord Rothmere as saying in the *London Daily Mail*:

"The economic welfare of the United States is based more than anything else upon the fact that she has 29,000,000 horsepower of electricity established in her factories—a force that is estimated as the equivalent of 290,000,000 human workers."

Showing that hydro-electric power is not always economical, Mr. Onken held, however, that all practicable power should be developed and declared that the electrical industry is ready to act, if permitted. It can make a comprehensive development and "create markets in most instances which will absorb the huge volume produced."

Congressman Phil Swing, of California, co-author of the Boulder Dam bill, hotly replying to Mr. Onken said that in view of the "disrepute of politicians" he would speak as a delegate to the Chamber's convention representing Chambers of Commerce in the Imperial Valley and not as a congressman. He declared he was a consistent opponent of all paternalistic legislation and that the Boulder Dam bill instead of being a violation of the Water Power Act was thoroughly consistent with it; and that in view of the various conflicting interests and the physical and interstate and international factors involved, the only feasible course was for the Federal Government to build the dam and power house, produce the electricity and sell it to distributing companies.

If the Act was the Bible of water-power development it must be taken as a whole, and so construed it distinctly met the requirements of the Colorado river problem. In the peculiar situation it was absolutely impossible for the Government to build the dam for flood control and permit another agency to build, own and operate the power house.

**Agrees with Editor**

COMING to Mr. Onken's support, Wm. A. Pendergast, chairman of the Public Service Commission of New York State, declared that he agreed with everything Mr. Onken had said. New York has a water-power act, similar to the national act—a great act, but the development of water-power in New York had nevertheless become a political problem in which the question is: "Shall one man's views obtain?"—a reference to Gov. Al Smith.

Standing, also, with Mr. Onken, S. S. Wyer, engineer, Columbus, Ohio, asserted that governmental expenditures were merely a public use of private money. "The Government" he said, "cannot spend a dollar that does not come out of the pocketbook of some private citizen. The advocacy of government ownership rests on the economic fallacy that government can be a Santa Claus distributing good things that cost nothing. Government is under the moral obligation to return every cent it takes from citizens to erect works, but in fact it issues bonds that extend far beyond the life of the plants and passes the bill on to the next generation. His own city of Columbus, Mr. Wyer said, had issued bonds to cover property that would be junk within ten years. L. J. Folse,

Jackson, Miss., paid his respects to congressional messenging with Muscle Shoals and Mercer Reynolds, Chattanooga, offered a resolution declaring for private operation of the Muscle Shoals plant, which was unanimously passed.

Having thumped and banged government ownership and operation of water power development to its complete satisfaction, the meeting turned its attention to the Mississippi River Commission and loudly applauded Walter H. Parker of New Orleans when he assailed the "levees-only" advocates, in his address on flood control.

"There are two sides to this flood control question—just as there are two sides to fly paper," he said, "and the levees-only men can take their choice. For two hundred years the levees-only people have been in the saddle. They have never won a fight against a great flood, and they never will."

#### Preacher of Flood Control

MR. PARKER said that until the great flood of 1912 he had been a levee-only man, then he saw the light, when George H. Maxwell, secretary of the National Reclamation Association, came preaching in the flood control wilderness. Since then he had advocated broader measures, including controlled spillways on the lower river instead of breaks in levees, temporary impounding basins there, too, to take care of overflow; control of excess water at the sources of streams, that could be used for power, irrigation and navigation; impounding basins further down for temporary use, forestation of waste areas, and other checks of rapid runoff.

When all that is done, said Mr. Parker, the height of floods could be foreseen and made manageable with levees built to meet a known situation. As it is now all that man does tends to deny the river natural relief from its own blind flood might and concentrates the runoff of half the continent in a narrowed channel. In 1917, after years of patient effort for scientific action, the late Senator Newlands had got through Congress a comprehensive act to deal with the flood problem everywhere, but a rider on the Water-Power Act in 1920 repealed it. The work must be done all over again.

#### A Resolution Offered

HAVING won his audience with the support of George H. Maxwell, and Wm. Isham Randolph, famous engineer just returned from flood investigation for the Chicago Association of Commerce, Mr. Parker proposed a resolution to empower the president of the National Chamber to appoint a committee to investigate the causes and means of control of floods in the Mississippi valley.

The resolution was adopted unanimously and the Chamber gets another monumental public task to wrestle with.

The meeting also unanimously adopted a forest research declaration offered by Major E. G. Griggs, Tacoma Chamber of Commerce, looking to the permanent authorization by Congress of the various forest research activities, now dependent on annual appropriation acts, to expand research in timber growing, wood utilization

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and the elimination of waste, and authorizing a national survey of forest resources and timber requirements—all of which are embodied in a bill introduced into the last Congress by Representative John McSweeney, of Ohio.

## A Business Entente For All America

FROM THE warm welcome of President O'Leary through the last address on the program of the Foreign Commerce group session, attended jointly by delegates to the National Chamber's Fifteenth Annual Meeting and by the delegates to the Third Pan-American Commercial Conference, every speaker focused attention on the vital need for cultivating a business entente between North America and Latin America.

In the consideration of Latin-American trade relations, the subject before the session, the members of the National Chamber were "most happy to have the assistance of our friends who are meeting here in Washington during these days, the delegates to the Pan-American Commercial Conference," said Henry D. Sharpe, chairman of the Chamber's advisory committee on foreign commerce, who presided.

### A Billion-Dollar Market

THE SUBJECT was discussed from the viewpoint of the United States by Victor M. Cutter, president of the United Fruit Company of Boston; and from the Latin-American viewpoint by Fernando Ortiz, of Havana, president of the Economic Society of Friends of the Country, and by Federico T. de Lachica, vice-president of the Federation of Chambers of Commerce of Mexico. E. B. Filsinger, manager of the export department of Lawrence & Company of New York, the fourth speaker, told why Latin America is a "billion dollar market."

From every point of view closer contacts are desirable, Mr. Cutter declared, and he contended that "it is not possible for the sensible, courageous business men of the two greatest continents to allow a handful of self-seeking politicians, propagandists, and other pernicious persons by their baseless chatter to balk our efforts to establish a great and mutually advantageous trade which will be followed by educational, social, and cultural contacts, with the resulting harmony which we all desire."

### Profit Motive the Basis

REFERRING to the bugaboo of imperialism and exploitation, he said: "In spite of all the talk and political bunk about these difficulties trade has vastly increased, which means that capital—the shiest thing on earth—has been and is being invested in increasing amounts. The profit motive is the basis for our economic decisions and it is the judgment of business men, both North and South, that trade is mutually advantageous and will increase. Talk to the contrary is all by propagandists and not by responsible business men or corporations, who, in spite of all alleged difficulties, have been and are steadily increasing their contacts, trade and investments."

"The answer is clear. There are no real

hindrances to development of our trade, outside the present state of mind of a handful of propagandists which can be corrected by sane business men through proper publicity as to actual facts."

Of the assistance that he believed Government could give in facilitating this international trade, he declared that:

"All governments can greatly aid business men by simplification and unification of shipping, harbor, and pilot requirements; simplification of customs and tariff requirements; extension of postal, cable, and wireless communications; and all other proper functions of government.

"The governments of all countries, both north and south, should have a clearer definition of foreign policy and a continuance of the efforts which have been made through the Pan-American Union and other agencies for closer mutual understanding."

#### What Can We Do to Aid?

ANSWERING the question of what North American business should do to aid South American trade, he asserted that "They must realize that greater efficiency is needed in foreign trade than in domestic. There must be built up what is now entirely lacking—a North American personnel eager to go to foreign fields which will understand the social and cultural life and language of Latin America as well as the business facts. North Americans must learn that building foreign trade is an art—and that art is long.

"Foreign trade is not to be built by sporadic effort in times of depression, but must be a continuous process over a long period of years."

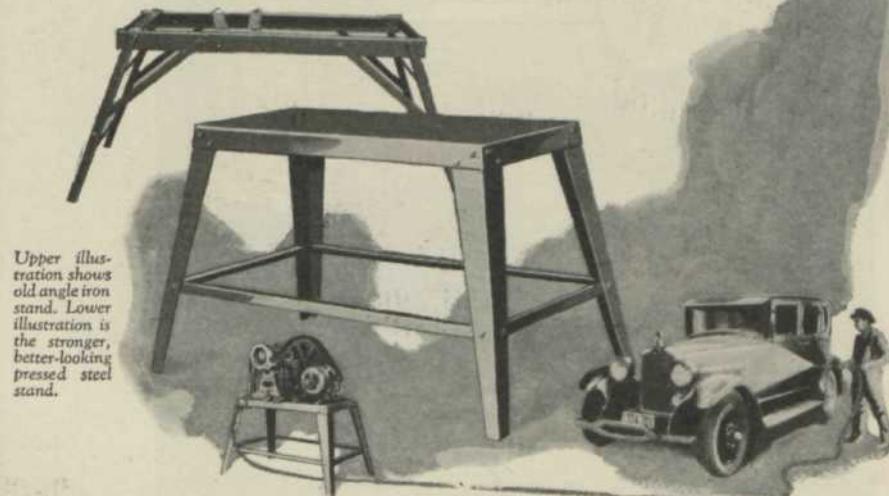
Cuba's readiness to share in the world's economic progress was emphasized by Mr. Ortiz in an address that also directed interest to the severe business crisis with which that republic is now at grips. As translated by G. Butler Sherwell, the official interpreter of the Latin-American Conference, the address urged American business men to get together with the Cubans in order to readjust the mercantile relations between Cuba and the United States.

#### Treaty of 1902 Out of Date

THERE is a need in Cuba for revising the commercial treaty of 1902, Mr. Ortiz suggested, explaining that although it served its purpose at the time, it had now outgrown its usefulness. Indicative of the steps taken by Cuba to protect her industries, he said, is the new tariff soon to be applied. A new parcel post treaty is needed, he thought, to increase the number of parcels that may be shipped between Cuba and the United States. He asked the delegates to go back home thinking of reciprocity between the two countries as the aim of Cuba—reciprocity so far as the moral and social life is concerned, a point of view he expressed with recommending "reciprocity, and reciprocity, and reciprocity."

The integrity of Mexico's business men will compare favorably with the business men of any other nation, said Mr. de Lachica, when referring to the difficult political situation in which his country has been involved since 1911. He said that "no-

# Pressed Steel Can Help Good Management



Upper illustration shows old angle iron stand. Lower illustration is the stronger, better-looking pressed steel stand.

#### One Good Manager Cut Costs and Improved His Product

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#### The Sales Curve Goes Up

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A Book for Good Managers—*Adventures in Redesign* is a mighty interesting booklet, telling how many companies have cut costs with YPS Pressed Steel Parts. If you are now using castings or angle iron parts in your product, you will want a copy. The coupon below will bring you one promptly. Or, if you are designing a new machine or redesigning an old one, send for one of our redevelopment engineers. He will show you how you can cut costs right at the start through the use of pressed steel parts.



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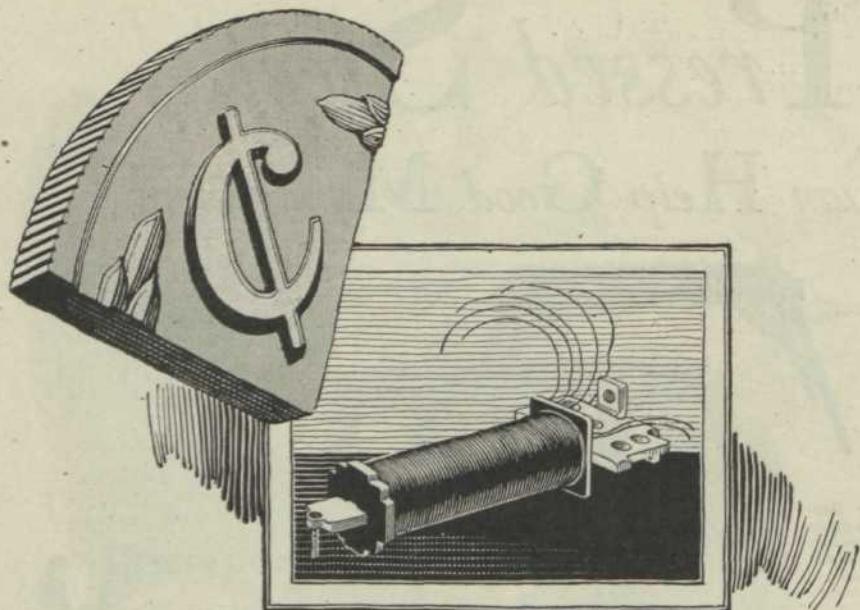
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Cents and fractions of cents gain real dignity not only in Poor Richard's economy but in the large scale production of American industry.

Save a half a cent here, a half a minute there, and you make possible material economies in manufacturing costs—as the experience of Western Electric helps to prove.

In this great work of making telephones and telephone apparatus for the nation, little things certainly tell. For instance, an improvement in the method of manufacturing electromagnets has resulted in saving ten seconds on each one. A trifle? But consider the fact that Western Electric makes 20,000,000 such magnets a year.

Just one of many little savings which this Company's large-scale production multiplies—a reason why America enjoys the most economical telephone service in the world.

No. 3 of a series



# Western Electric

SINCE 1882 MANUFACTURERS FOR THE BELL SYSTEM

body can produce concrete cases showing that Mexico's representative business men and representative business institutions have ever violated the sacred principles of commercial ethics. Their industry and commerce do not need this introduction to present themselves in any market on earth. However, they are ready and willing to show their mettle and to open their business conditions to inspection with the certainty that any one cooperating in the development of Mexico will soon be convinced that Mexico is and will continue to be in years to come, one of the best fields in the world for profitable investment."

In presenting Mexico's attitude toward foreign trade he made the emphatic declaration that "the Mexicans do not close their door to foreign goods not manufactured within the country; that they only allow themselves to grant protection and preference to their own manufactures, to try to supply their own needs and sustain a share in international trade."

#### Almost a Billion in Exports

LATIN AMERICA is a "billion-dollar market," Mr. Filsinger argued, because "In the year which closed December 31, the exports from our country to Latin America reached the total of almost \$900,000,000—to be exact \$872,800,000. Considering the marked decline in the prices of many items which figured in our exports, it is amazing that these figures register a decline of only about one per cent over 1925."

Equally interesting, he said, is the fact that with regard to exports from Latin America, the United States may also be known as another "billion dollar market," for this figure was exceeded last year when the imports from the twenty Latin American countries reached an aggregate valuation of \$1,045,000,000, as compared with \$1,009,000,000 the year before.

#### Competition Means Efficiency

COMPETITION which American manufacturers are facing by reason of the industrial development of Latin America might have its advantages, he thought, for in order "to hold these important and growing markets will require a higher degree of efficiency than ever before. The responsibility of management will be greater than in the past. The men who direct our foreign sales must have a more intimate personal knowledge, gained on the ground by travel and research, of the requirements of the markets in each of the twenty different countries. They must realize to a greater degree than at present, the marked differences between the several states which make up Latin America. They must take into account the extraordinary differences in the economic and social development of these Republics."

For the promotion of American commerce in Latin America Mr. Filsinger strongly recommended "the application of that high type of American salesmanship for which this country is favorably known throughout the world." He believed, he said, that "if we are to take the fullest advantages of our opportunities in that great trade field we must measure up to the most exacting requirements of the situation. In dealing with that region let us regard these

countries as twenty additional states, subjecting our trading methods there to the same rigorous research that we do in the home market. If this is done it is inevitable that there will be a growing realization of the need for carrying on hand, in strategic centers, stocks of finished goods, parts, accessories, etc., in order that our Latin American friends may be served with the same celerity as our fellow citizens at home.

#### More Autos to the South

"INDEED, in this connection it is appropriate to refer to the growing use of motor transport throughout Latin America. The need for speed influences construction of roads. Automobiles and motor buses everywhere are fast becoming an integral part of the vast railroad development in Latin American countries. Sales opportunities in this direction will follow in the natural course of events. In our sales expansion we shall be greatly aided by the efficient organization of the Bureau of Foreign and Domestic Commerce which is already functioning in almost all the Latin American countries.

"In the few important places still uncovered, offices should be opened in the very near future.

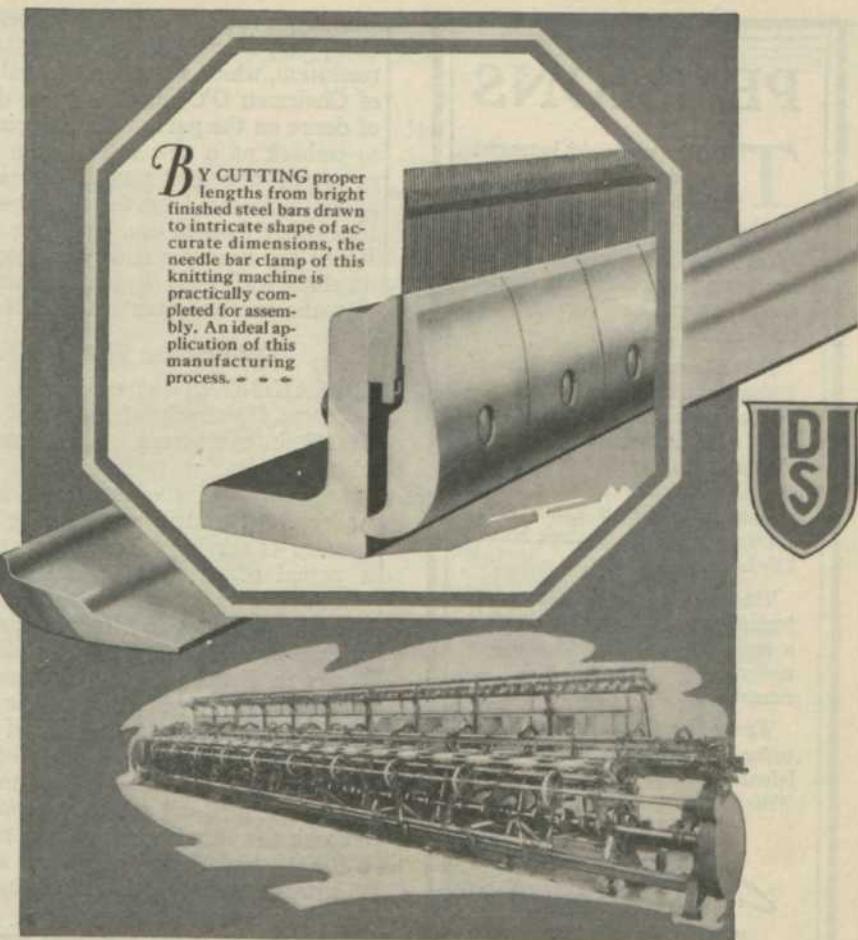
"Because the United States is one of the best customers of the Latin-American countries, Mr. Filsinger felt, he said, that "we shall be particularly favored if we encourage the greatest possible use of the products of the southern republics. It is, therefore, the duty of all of us to do everything that lies in our power to accelerate this development. If we do so we shall not only confer an everlasting benefit on Latin America, but we can fearlessly face the injunction laid upon the citizens of certain countries to 'buy only from those who buy from you.'"

#### Some Trends in Transportation

OUR MERCHANT marine commanded attention during a large part of the Transportation and Communication session. The subject was opened by Philip H. Gadsden, vice-president of the United Gas Improvement Company, of Philadelphia, who drew attention to an apparent tendency of the United States Shipping Board to perpetuate government operation of our merchant fleet by launching an extensive program of new ship construction and the slowing up of ship sales. A resolution protesting against this had been submitted by the Chicago Association of Commerce prior to the annual meeting.

T. V. O'Connor, chairman of the Shipping Board, denied that the Board is behind a policy of that kind or desirous of perpetuating government operation, but on the contrary stated that the Board desires to get out of business just as soon as it can sell its ships at reasonable prices, or dispose of its established routes at any price to parties who will guarantee their continuous operation for five years. Mr. O'Connor urged, therefore, that the meeting refrain from endorsing the resolution.

After spirited discussion, Julius H.



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**UNION DRAWN STEELS**

## PENSIONS

**T**HAT is a word which has caused a lot of cogitation on the part of both governments and private business.

The immense resources of life insurance companies, their legally founded financial strength, have been applied to the problem of pensions.

The Massachusetts Institute of Technology has recently taken an interesting step in this direction. In addition to the Retirement Features, the Tech plan also provides for Death and Disability Benefits. This is a special application of Group Insurance as written by the John Hancock Mutual Life Insurance Company.

The plan is adaptable to the needs of firms and corporations and requires only a modest appropriation to set it in motion. The cost is well within the means of both employer and employees.

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25,000 at \$1.50—12,500 at \$1.75 or  
6,250 our Minimum at \$2.25 per 1000  
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Barnes, president of the Barnes-Ames Company, New York, offered a substitute resolution, which was adopted, that, in view of Chairman O'Connor's express disavowal of desire on the part of the Shipping Board to embark on a new construction program or perpetuate government operation, no action is required by the Chamber at this time other than to urge upon the Shipping Board the need for energy in disposing of its ships with such support as is necessary to make private operation effective.

### Government in Business

**S**PEAKING on the subject of "Government Ownership of Merchant Marine," Mr. Gadsden referred to the discontinuance of the aggressive policy of ship sales, to abandonment of the conditional sales plan under which contracts were made for maintenance of service on essential routes over a period of years, to withdrawal of the most available ships for sale on the ground that they may be required for government operation, and to a series of legislative proposals in harmony with the recent trend of Shipping Board policy. One of these proposals, relating to the sale of Shipping Board ships, would have the effect of prohibiting the sale of the best and most available ships, and still another proposal would embark the Government upon a new \$250,000,000 shipbuilding program and issue "United States Merchant Marine Bonds" for the purpose.

Malcolm Steward, speaking for the Cincinnati Chamber of Commerce, asserted that the government-owned merchant marine is virtually the only merchant marine we have under our flag, that present services should be enlarged rather than curtailed.

H. M. Lawrie, representing the Portland, Oregon, Chamber of Commerce, concurred in the main with the analysis of government ownership which Mr. Gadsden had presented. The Portland Chamber believes that Congress should grant direct aid to all American ships engaged in foreign trade, including tramps, equal to the excess cost of operation over that of American ships, that rates of aid in each case should be fixed by the Shipping Board, and that contracts should be made for 20 years, with a readjustment of the aid annually, so that net earnings should be held at about 8 per cent, one-half of the excess over 8 per cent to be paid to the Construction Loan Fund of the Board.

### Attacks Board's Attempts

**I**RA A. CAMPBELL, New York, stating that he voiced the opinion of substantially all private-owned shipping in America, asked the business men of America to stand with the private owners of American shipping against any attempt to entrench the Government permanently in the shipping business. The National Chamber has never gone on record on this matter, he said, since the proposal has come forward to grant the Shipping Board an appropriation running to hundreds of millions of dollars for new construction. He asserted that propaganda is being broadcast throughout the United States in behalf of this movement, and urged, therefore, that the Chamber subscribe to the main principle of the reso-

lution offered by the Chicago Association of Commerce.

Mr. Campbell denied that our only merchant fleet is the government-owned fleet, and cited numerous examples of a successful establishment of privately owned routes since the war.

The real reason the American private shipowner views with apprehension the proposed plan to build new ships, said Mr. Campbell, is that they cannot be built in American yards except at enormous cost. Furthermore, Mr. Campbell thinks it is not a matter of certainty yet that the Diesel engine is the most economical type, and that pulverized coal for the steam engine may make it more efficient than the Diesel ship. Where will we be, then, he asks, if the Government plunges into a large investment with Diesel ships?

### Board's Chairman Replies

**C**HAIRMAN O'CONNOR of the shipping Board asserted that Mr. Gadsden had attributed to the Shipping Board policies for which he had no authority or basis. Referring to the reported proposals for a replacement program, Mr. O'Connor stated:

"In regard to the \$250,000,000 that Mr. Gadsden spoke of, I do not know where he gets that. I will guarantee that that is no statement from the Shipping Board. The Shipping Board is not behind a policy of that kind."

"The Shipping Board is for a merchant marine, absolutely—a merchant marine privately owned if possible, but a merchant marine, anyhow."

Far from being unwilling to sell its ships, Mr. O'Connor asserted that the board will sell individual ships at a very small percentage of cost and that it will dispose of established routes regardless of price to any responsible parties who will guarantee to keep them in continuous operation for five years.

Mr. Barnes then expressed the hope that the meeting would not pass a resolution framed on a reported policy of the Shipping Board which the chairman specifically disclaimed.

In offering a substitute for the Chicago resolution, which was read twice in the presence of Chairman O'Connor and Commissioners Smith and Hill of the Shipping Board, Mr. Barnes said: "I wish to have it on record that at the time this specific resolution was proposed Chairman O'Connor heard the reading which includes his expressed disclaimer of any intention to invest public moneys in new shipping."

The resolution was unanimously adopted, and is as follows:

"In view of the explicit disclaimer, before this section, by Chairman O'Connor of the Shipping Board, that the Board contemplates investing public moneys in new construction; and in view of his clear statement that the Board is determined to dispose of all ships and trade routes to private enterprise at any sacrifice if with reasonable assurance of continued service on these routes, this section believes these utterances accord with the adopted principles of the Chamber and no further action is necessary at this time, except to impress upon the Shipping Board the need of energy in

placing this shipping in private operation and with such support as necessary to make private operation effective."

William J. Dean, president of Nicols, Dean and Gregg, St. Paul, and member of the Advisory Committee of the Transportation and Communication Department, served as chairman of the meeting. Mr. Dean opened the meeting with a review of the department's activities during the past year submitted by A. L. Humphrey, president of the Westinghouse Air Brake Company, Pittsburgh. The report stated that during the past year the department has treated as major activities street and highway traffic, postal rates and the merchant marine situation. Under the first heading it has worked actively in furthering the program of recommendations of the National Conference on Street and Highway Safety. Under the second it has, through its Postal Service Committee, worked for a rational revision of the schedule of postal rates.

Under the third it has kept before its members and before Congress the principles adopted in the merchant marine referendum of 1926.

#### Other Carriers Considered

"**N**EW Trends in Transportation" was the subject of several short talks by W. L. Clause, chairman of the board, Pittsburgh Plate Glass Company, Pittsburgh; A. J. Brosseau, president, Mack Trucks, Inc., New York, and G. D. Ogden, traffic manager, Pennsylvania Railroad, Philadelphia, who spoke from the respective viewpoints of inland waterways, motor transport, and the railroads.

Lucius Teter, president of the Chicago Trust Company and chairman of the Chamber Postal Service Committee, reported on the work of the committee in connection with postal rates. A. C. Pearson, chairman of the Board of the United Publishers' Association, in supporting the resolution on revision of postal rates, called attention to the fact that while it is reasonable to assume that the people who use the mails for commercial purposes should pay the cost of such service, the law provides that the postal service shall be extended free or at preferential rates to a large volume of mail. He pointed out that there is no justification for expecting the other users of the mail to include in the rates they pay the cost of these free and less-than-cost-policy services. The resolution was adopted.

John G. Lonsdale, president of the National Bank of Commerce, St. Louis, submitted his report as chairman of the Aeronautics Committee of the Chamber. He called attention to the saving in time on bank collections which give depositors earlier credit for their money and laid particular stress upon the need for more tonnage for the air lines if they are to go on and develop this new and faster mode of transport.

Many of the leading men in the aeronautic industry attended the meeting and voiced their support of a resolution the keynote of which was the need for wide patronage of the facilities now operating in order to bring about successful air transport. The resolution was adopted.



## CALIBER

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When you lay plans for the future of your business, and feel the need of broad, experienced banking counsel, write us—or come into the Bank when in Chicago and discuss your problems in confidence with us.

FREDERICK H. RAWSON  
*Chairman of the Board*

HARRY A. WHEELER  
*President*

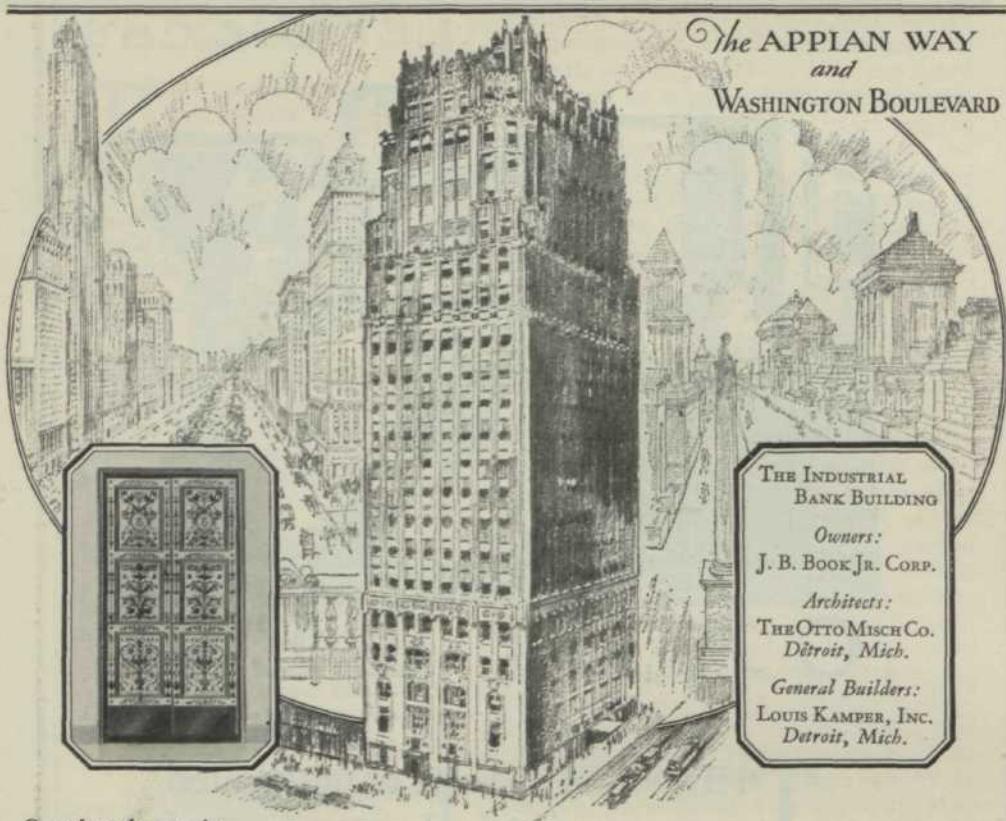
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## MONUMENTS OF THE AGES



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ROME'S gorgeous imperial road . . . her Appian Way, begun in 312 B. C., was a stupendous undertaking, but how it magnified her fame to the ends of the known earth!

Stupendous is also the work undertaken and planned for the magnificent Washington Boulevard that Detroit is building and which the three brothers, J. B. Book, Jr., Frank P. Book and Herbert B. Book, together with their architects, Louis Kamper, Inc., are doing so much to make famous.

With the erection of the world's tallest building . . . the 85 story Book Tower . . . their achievements will become even more Detroit's boast among the cities of the earth.

Dahlstrom Metal Equipment is prominent on Washington Boulevard. The Industrial Building makes the fourth of its towering edifices to use Dahlstrom Steel and Bronze complete Elevator Inclosures.

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Golf Tournament  
Prizes Given

THE CLOSING event of the Fifteenth Annual Meeting of the Chamber of Commerce of the United States was a golf tournament held on the afternoon of May 5, at the Columbia Country Club and the Burning Tree Club.

Entrants from many sections remained in Washington for another half day to compete.

Richard H. Thompson, National Councilor for the Bureau of Personal Accident and Health Underwriters, Baltimore, Md., won the President O'Leary silver bowl for the low gross score. Mr. Thompson's gross score was 87.

The NATION'S BUSINESS prize, a silver pitcher, offered for the low net score, was won by C. M. Mark, Newport News, Va., with a net score of 67.

The prize for presidents of organizations, a golf bag, was won by Milton P. Thwaite of New York, president of the Association of Manufacturing Bank and Commercial Stationers, with a net score of 78.

Other winners were:

National Councillors' Class, traveling bag: Edwin C. Johnson of Boston, of the National Association of Bakers Supply Houses. Net score 72.

Delegates' Class, locker satchel: L. P. Dickie, Tampa, Florida. Net score 74.

Secretaries' Class, silver cigarette box: William H. Howard, Indianapolis, Ind. Net score 78.

Eastern Division, silver plate: James Sherlock Davis, Brooklyn, N. Y. Net score 75.

Northern Central Division, silver plate: Charles C. George, Omaha, Nebr. Net score 74.

Western Division, silver plate: Frank S. Hoag, Pueblo, Colo. Net score 77.

Scores were tied for the Eastern Division and Northern Central Division prizes and lots were cast to decide the winner.

Fire Waste Contest  
Awards Made

ONE OF the events that attracted attention was the presentation of the awards to the four cities that had made the best records in the Inter-Chamber Fire Waste Contest for 1926. The winner of the grand award—that is, the city that made the best record in fire prevention regardless of size—was the Albany, Georgia, Chamber of Commerce. This organization last year won the same prize and was the only one of the winners to have won an award previously.

## Winner of First Class

MILWAUKEE was the winner in Class 1, comprising cities with more than 100,000 population. Milwaukee has been in the competition since it originated and has received honorable mention in previous years. The example of this city illustrates the importance of steady, consistent effort. The feature of the Milwaukee Association's

fire prevention program was the stress laid on educational work.

Huntington, West Virginia, was the winner of Class 2, representing cities of between 50,000 and 100,000. The results speak for themselves. As compared with the averages of the preceding five years, the number of fires was reduced from 377 to 301 and the property loss from \$406,220 to \$188,459. In addition, not a person was killed and only one was injured.

Owensboro, Kentucky, long a leader among the contestants but never before a winner, carried off the award for Class 3, which includes cities between 20,000 and 50,000. Its per capita fire loss last year was 75 cents. One of the features of their program was the organization of inspection crews which visited every house and building in the city and collected rubbish and other combustible material. It took the city three weeks to remove this accumulation.

#### Albany Gets Grand Award

THE 1925 record of the Albany, Georgia, Chamber was so outstanding that it was unreasonable to expect greater progress to have been made in 1926. Yet such was the case. The per capita fire loss was reduced to 44 cents. Usually salvage operations to prevent water damage are carried on only in the largest cities, but this is a regular part of the local fire department's work. In fact, it was carried on so efficiently last year that there was not a single instance of water damage at a fire. This city's outstanding achievement won it first place in Class 4, including cities of less than 20,000, and also the grand award for the best record of any city regardless of size.

Governor Walker, of Georgia, in presenting the awards, pointed out that "scarcely less credit should be given to cities which just missed receiving awards by a narrow margin." It is an indication of a very healthy condition that the difference between the winning cities and their competitors was but slight.

Among the cities that received honorable mention are: Philadelphia; Portland, Oregon; Pasadena, California; New Britain, Connecticut; Yakima, Washington; Mansfield, Ohio; Billings, Montana; and Fullerton, California. There were many other cities that made outstanding records but the list is too long for inclusion in this report.

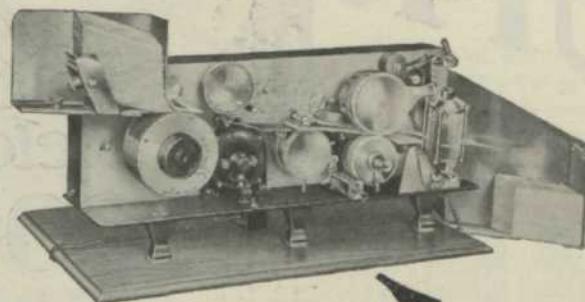
"Prior to 1923 it is doubtful if 50 chambers of commerce throughout the country had fire prevention committees," Governor Walker pointed out.

#### Progress of Contests

IN THE 1923 contest only 70 cities submitted reports. In 1924 a few more than 100 were received. For 1925 there were 221, and for last year 303, an increase of 37 per cent over the preceding year. When it is considered that the population of these 303 cities is nearly 24,000,000, we can see how widespread the contest has become in the short period of four years.

"Last year thousands of lives were again sacrificed because of fire and more than \$500,000,000 worth of property was burned, a sum equivalent to the cost of the Panama Canal. One may say that \$500,000,

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Cordially endorsed by such representative users as Ford Motor Co. (20 machines); New England Tel. & Tel. Co. (7 machines); Montgomery Ward (6 machines); Boston Consolidated Gas Co. (2 machines); Prudential Insurance Co. (2 machines); Dennison Mfg. Co.; Thomas A. Edison, Inc.; Victor Talking Machine Co. and hundreds of others throughout the United States.

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One Meter-counter and  
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with its Meter-counter meets all the requirements of the Postal Laws and Regulations, which state that all matter mailed without stamps affixed is Permit Mail regardless of the device used for imprinting the Indicia.

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*"Even Better Steam Generation" deals with the subject, entirely from the viewpoint of general management. A copy will be sent to any manufacturing executive upon request.*

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\*\*\*\*\* EST. 1907 \*\*\*\*\*

000, our annual fire loss, is not cause for serious alarm in a country as wealthy as the United States, but unfortunately that statement will not bear analysis.

"The vast amount of \$10,000,000,000 must be put to work at 5 per cent in order to yield sufficient income to rebuild the property destroyed annually by fire—a tremendous penalty which must be recognized as being for the most part the price of carelessness. Fire waste is one of the leading sources of preventable loss borne by American business.

"The Inter-Chamber Fire Waste Contest, uniting, as it does, the National Fire Waste Council, which represents leading national fire prevention agencies, the Chamber of Commerce of the United States and local chambers of commerce throughout the country, is providing a means by which we may eventually hope to check this wasteful drain upon our resources."

### Trade Heads Meet

ONE HUNDRED and twenty-five odd members attended the Mid-Year Meeting of the American Trade Association Executives and heard H. B. Teegarden of the Department of Justice and Commissioner Myers of the Federal Trade Commission discuss the relations of the anti-trust laws to trade associations. Both speakers stressed the important constructive work which trade associations are carrying on well within the limits of the law.

The business side of the meeting was the receiving of the report of the special committee of the American Trade Association Executives to the Chamber of Commerce of the United States on a program of service to trade associations.

Dr. Hugh P. Baker, secretary of the American Pulp and Paper Association, and chairman of this special committee, read a communication from President O'Leary commenting on certain phases of a report which call for immediate consideration.

#### Chamber and Associations

HE CONGRATULATED the committee on its able report and said the National Chamber was prepared to go ahead in extending its service to trade associations along the lines suggested by the committee. Both the report of the special committee and President O'Leary's letter will be distributed to trade association executives.

Mr. Teegarden called attention to a new procedure of the Department of Justice in connection with its handling of anti-trust cases. The Department of Justice will consult beforehand with business interests with reference to proposed mergers, consolidations, etc., and also with reference to proposed plans for the organization of trade associations. The Department will not give those with whom it thus communicates a legal opinion, but it will tell them what it thinks about the proposed plan.

If it thinks it is all right, it will say so, which is helpful even though it does not in any way constitute an "immunity bath." Commissioner Myers said that he hoped the day would come when the Federal Trade Commission would have developed sufficient confidence in itself among business

men and others to be empowered to say to a trade association whether a given activity was or was not legal.

Commissioner Myers looked forward to the time when the Federal Trade Commission would be able to give trade associations definite assistance in enforcing standards of trade practice which had been agreed upon by a substantial proportion of the industry in question as fair and in the interest of the efficient conduct of the industry.

It was announced at the meeting that the annual convention of the American Trade Association Executives would be held at West Baden, Indiana, October 6 to 8, 1927.

## Meeting of Nacos

THE annual mid-year meeting of the National Association of Commercial Organization Secretaries held Tuesday evening, May 2, was the largest in point of attendance in the history of the organization. Two hundred and thirty were present.

The feature of the meeting was the announcement by Major General Mason M. Patrick, Chief of Air Service, that he would grant the request of NACOS to sponsor an eight weeks' tour of the United States by Major Herbert A. Dorgue, Commander of the Pan American good-will flight, accompanied by Walter O. Lochner, president of NACOS.

Major Dorgue will visit more than a hundred cities in the flagship of the flight, the *New York II*. This is the first time an "amphibian" has been used in such a flight. On the tour, which will start about May 20, Major Dorgue will tell the story of the good-will flight and Mr. Lochner will spread chamber of commerce doctrine to thousands of business men. It is believed the tour will be a great stimulus to commercial aviation interests.

Major Dorgue was presented to those in attendance and spoke briefly of his visit to 20 Central and South American nations.

During the business session it was announced that the next NACOS convention would be held in Columbus, Ohio, October 24 to 27. The group meeting plan of program is to be used and all papers are to be concluded with definite practical suggestions for action.

President Lochner announced the election of F. Roger Miller to the NACOS Board of Directors to succeed Col. John B. Reynolds, who had resigned. William Holden was elected to the vice-presidency. Resolutions of appreciation of service of Mr. Reynolds and regret at his leaving were adopted.

A brief address was made by Richard F. Grant, ex-president of the United States Chamber of Commerce. He challenged the secretaries to go back 20 years, chart the progress of the development of their communities and find vindication of the necessity and importance of chambers of commerce. He said that a great majority of important movements during the last two decades had been initiated by chambers of commerce and that practically all of them had been aided by chambers.

# "I'd walk a mile for a Camel"

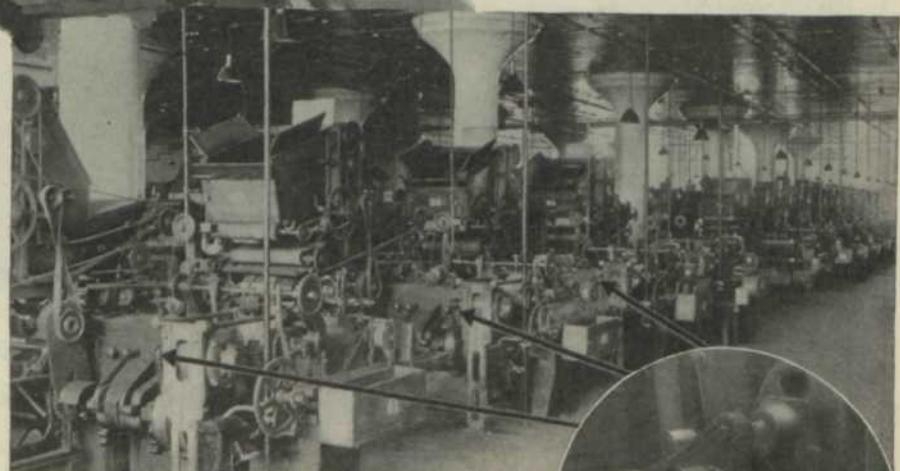


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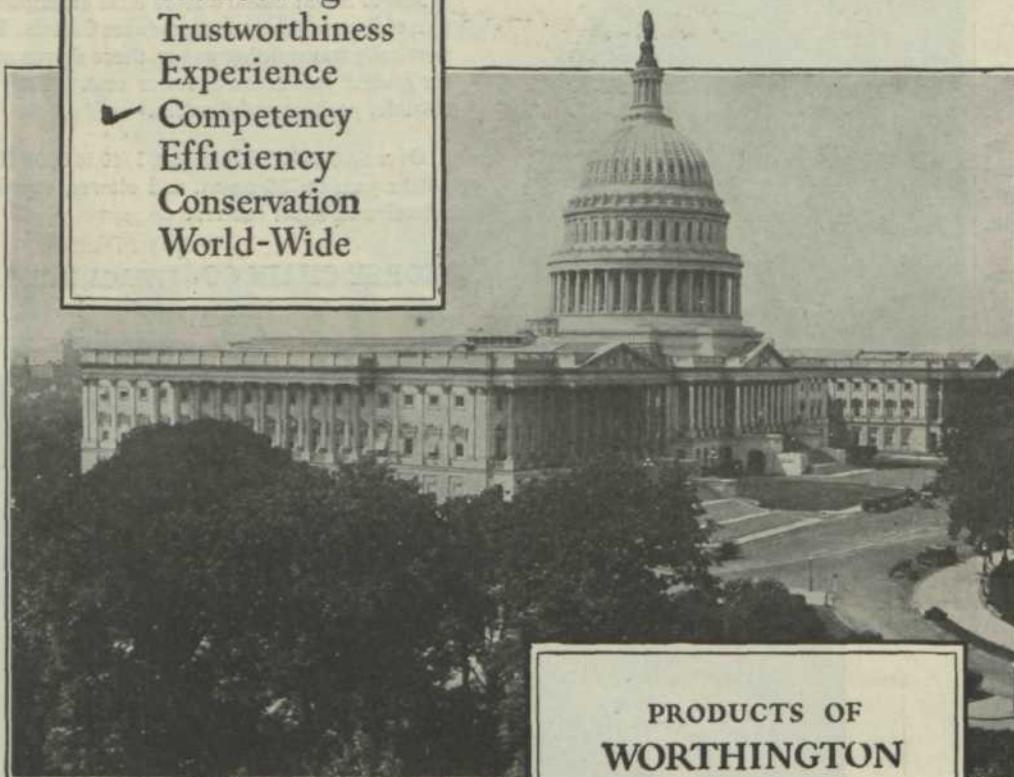
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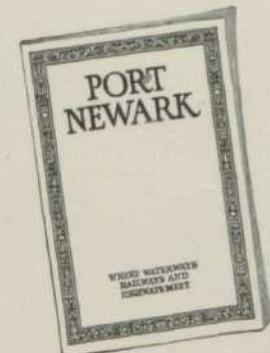
THOS. L. RAYMOND—Mayor

Newark

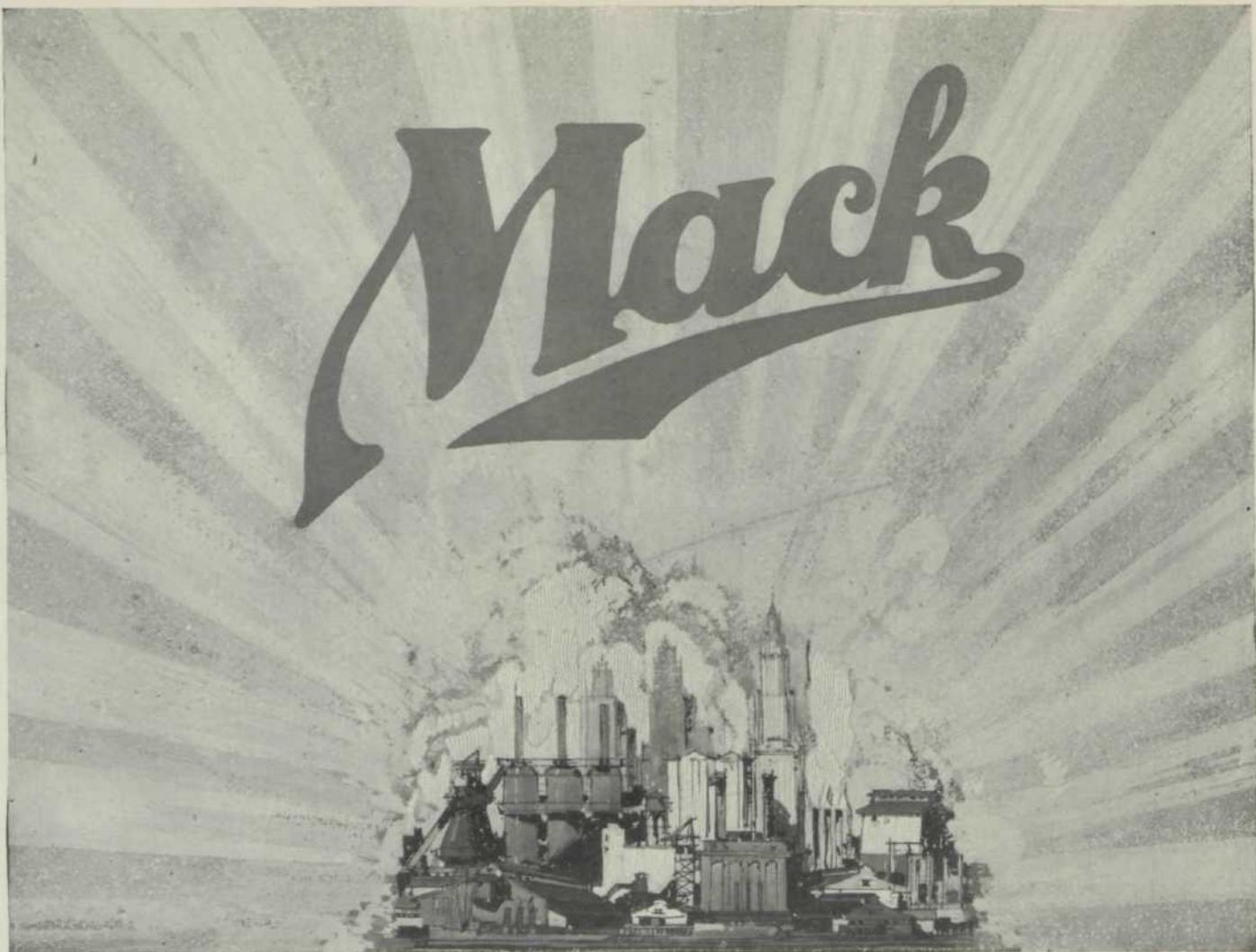
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